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Unemployment insurance: sharper **tax bite** for railroads? . . . . . p. 12

October 8, 1962

RAILWAY AGE WEEKLY

GM's 25,000th Diesel-Electric

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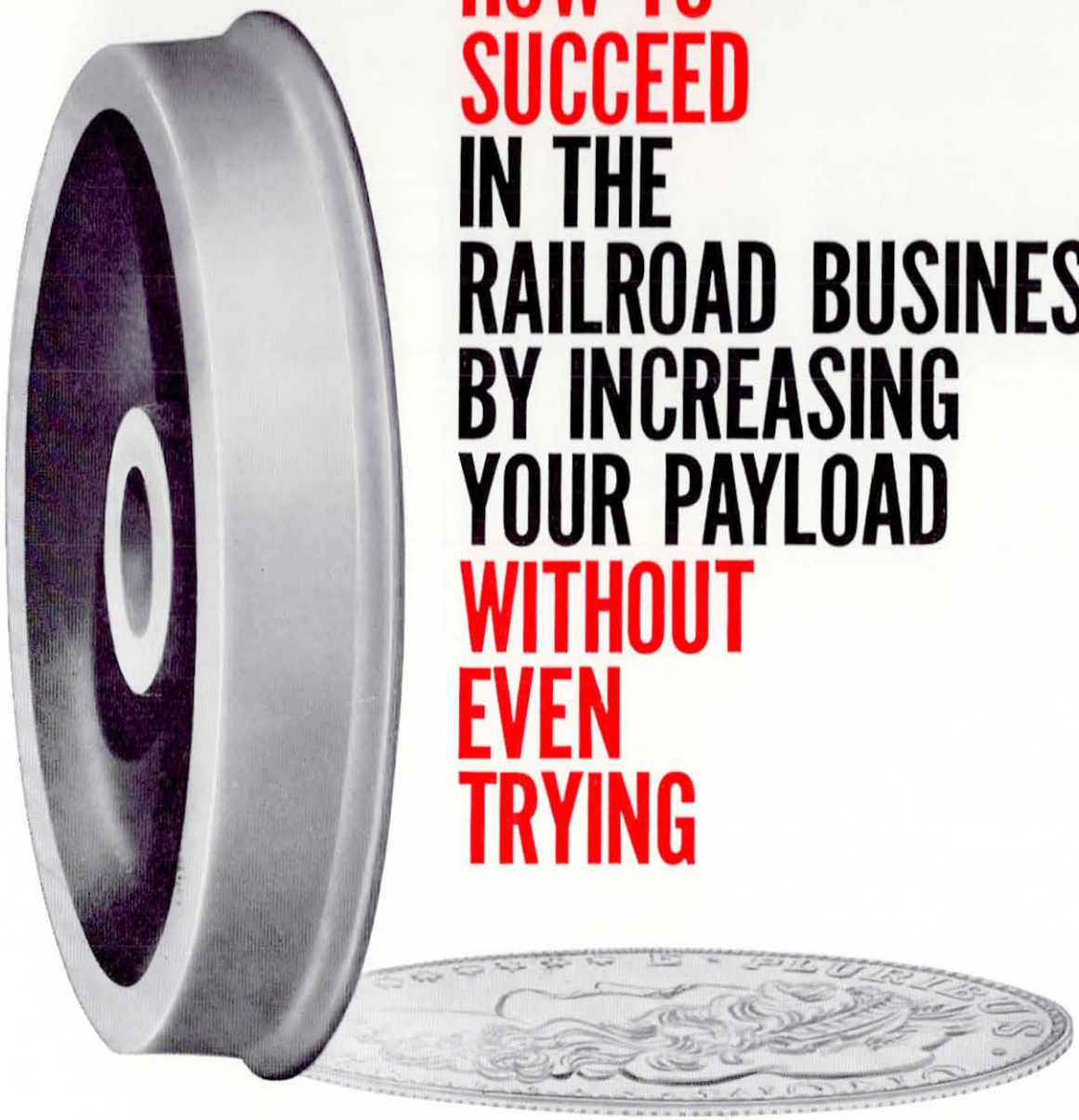

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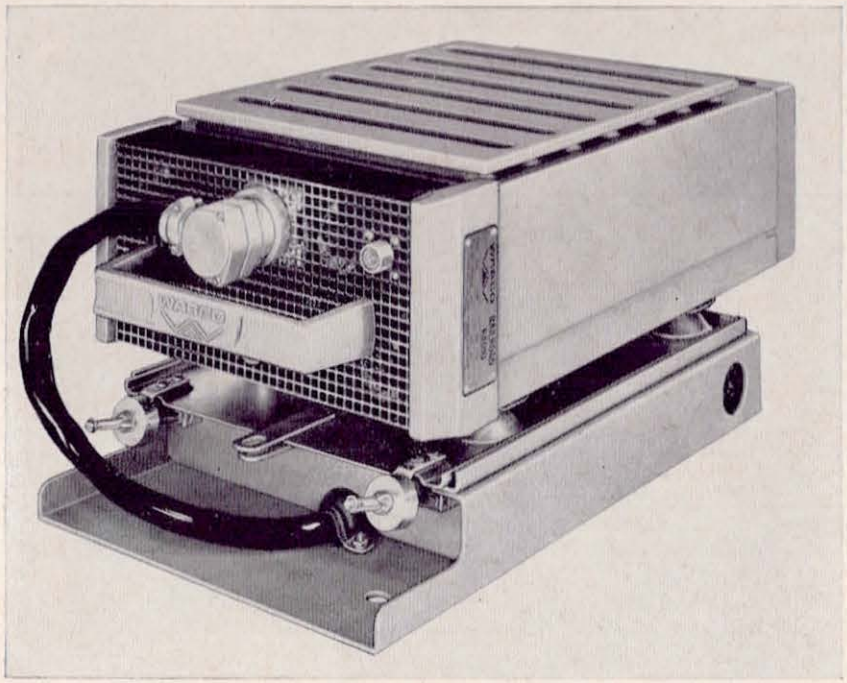

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RAILWAY AGE

WEEK AT A GLANCE

October 8, 1962 • Vol. 153, No. 15

Carriers name top bargaining team

Creation of the National Railway Labor Conference is designed to strengthen rail management's negotiating hand ..... p. 9

Rails face threat of RUIA tax boost

Proposals to increase company-financed contributions to the unemployment account and failure to remove inequites from the Unemployment Insurance Act could be costly p.12

C&O yard to handle grain fast

Annual savings of $20,000, as well as expedited movement of grain, are expected to result from the recently completed expansion of facilities at Walbridge Yard p.13

Education payoff is 'fast, obvious'

Here are some of the ways theory has been translated into practice by railroaders who have attended Northwestern University's Transportation Center p.14

GM produces its 25,000th diesel unit

Ceremonies last week at Electro-Motive's LaGrange plant celebrated completion of the 25,000th locomotive unit built by General Motors, here and abroad p.16

P&S men solving inventory problem

Railroad inventories, on the average, have dropped by about 40% in the past 10 years, a survey reveals. Biggest factor is said to be improved P&S techniques p.20

Job-security pattern may be cast this week

An arbitration board's report in the C&NW case could set a pattern for the settlement of similar disputes on other roads p.34

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WEEK AT A GLANCE

The Action Page—Cartel or competition?

The ICC has been likened to a cartel, but it has not functioned like one because its rate authority is 100% only for railroads—not for competitive transport modes p.40

Short and Significant

Major rate-freedom gain . . .

came when the ICC, in I&S No. 7269, gave general approval to piggyback rates on new automobiles between points in Central, Southern and Southwestern territories.

The BRT is barred from striking Santa Fe . . .

at least until Oct. 21, under a restraining order issued in U.S. District Court. A further hearing will be held Oct. 17 before Judge Joseph Sam Perry.

A threatened Trainmen's strike against B&O . . .

was postponed last week and the dispute—involving work rules—was submitted to mediation. The BRT had planned to walk out Friday, Oct. 5.

The Class I railroad car fleet . . .

totaled 1,572,753 cars on Sept. 1, with average carrying capacity of 56.16 tons per car. This compares with a fleet of 1,623,990 cars with 55.63 tons average capacity on Sept. 1, 1961.

A nationwide, one-day strike . . .

was staged by Britain's largest rail union last week to protest the government's railroad reorganization plan—which contemplates furloughing some 34,000 workers.

Current Statistics

Operating revenues	
6 mos., 1962	$4,703,650,132
6 mos., 1961	4,417,470,000
Operating expenses	
6 mos., 1962	3,713,490,394
6 mos., 1961	3,594,534,970
Taxes	
6 mos., 1962	531,960,577
6 mos., 1961	482,452,262
Net railway operating income	
6 mos., 1962	265,495,659
6 mos., 1961	145,845,950
Net income estimated	
6 mos., 1962	171,000,000
6 mos., 1961	62,000,000
Carloadings revenue freight	
39 wks., 1962	21,567,906
39 wks., 1961	21,984,404
Freight cars on order	
Sept. 1, 1962	12,429
Sept. 1, 1961	9,690
Freight cars delivered	
8 mos., 1962	26,706
8 mos., 1961	22,439
Serviceable cars	
Sept. 1, 1962	1,437,496
Sept. 1, 1961	1,470,420
Cars awaiting repairs	
Sept. 1, 1962	135,257
Sept. 1, 1961	153,570

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THE PONY EXPRESS

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The City of Opportunity

TRANSPORTATION DIVISION
VICTOR L. EMERY, COMMISSIONER

June 8, 1962

Mr. Robert G. Lewis, Publisher
Railway Age
30 Church Street
New York 7, New York

Dear Mr. Lewis:

We like the Freight Traffic Issues of Railway Age because they give us current stories on the important subjects relating to surface transportation. Competitive modes are included and the articles are clear, concise, and constructive.

Your "Story at a Glance" feature is of particular value, since it takes only a moment to determine whether the subject is of sufficient importance to immediately delve into the details of the article itself.

Sincerely,

Vic Emery

Carriers Name Top Bargaining Team

J. E. Wolfe
Top Negotiator

A. J. Greenough
Pennsylvania

A. E. Perlman
New York Central

William White
Delaware & Hudson

W. T. Rice
Atlantic Coast Line

J. W. Smith
Seaboard Air Line

W. J. Tuohy
Chesapeake & Ohio

Ben W. Heineman
Chicago & N. Western

W. A. Johnston
Illinois Central

E. S. Marsh
Santa Fe

ARCHITECTS of the new bargaining set-up were nine railroad chief executives, pictured above with J. E. Wolfe, chief negotiator.

► **The Story at a Glance: The railroads last week moved to strengthen their position in labor relations by setting up a permanent organization to plan and progress the handling of labor matters on a national basis. The effective result of the action may be a shifting of initiative from unions to carriers. The railroads, bolstered by the continuity of planning which the permanent group can provide, are expected to do more initiating of proposals—an activity in which the brotherhoods have held a virtual monopoly.**

For 20 years the trend in rail labor affairs has been steadily toward handling on a national level. Effective Jan. 1, 1963, the carriers will have an organization at Chicago—the National Railway Labor Conference—which will give them machinery for efficient and economical negotiating on a national basis.

Chairman of the group will be J. E. Wolfe, present chairman of the Association of Western Railways committee on labor relations and principal spokesman for railroads in recent negotiating sessions.

The national group, under his direction, will supersede the regional conference committees from the East, West and Southeast which previously handled labor negotiations.

Nucleus of the national bargaining team will be a four-man group—Mr. Wolfe, plus one representative of each of the three regions. Other negotiators may be called upon as needed—e.g., operating officers may sit with the group in a case involving the operating brotherhoods, engineering officers may join negotiations in a dispute concerning maintenance employees.

Backing up the bargainers will be a permanent staff which will include lawyers, economists, statisticians and other specialists.

The NRLC was organized and will be administered by a committee of railroad chief executives—three from each region as the group is now constituted. Committee members are A. J. Greenough, PRR; A. E. Perlman, NYC; William White, D&H; W. T. Rice, ACL; John W. Smith, SAL; Walter J. Tuohy, C&O; Ben W. Heineman, C&NW; W. A. Johnston, IC; and E. S. Marsh, Santa Fe.

The national group will represent virtually all Class I line-haul carriers. Only about a half dozen roads are staying on the outside. Still to be determined, apparently, is the position of the switching and terminal lines under the new set-up.

According to the chief executives' committee the NRLC is designed "to facilitate forward planning and close coordination of efforts previously handled on a regional basis, thus providing closer cooperation in labor matters concerning one or more railroads."

The chairman—Mr. Wolfe—is to have responsibility for formulating plans "for the improvement of labor relations between the railroads and their employees." It will also be his job to select the members of the conference's permanent staff.

Formation of the NRLC brought immediate—and sharp—criticism from labor. A spokesman for the Trainmen called the move "another step toward monopoly . . . . the final step toward enforcing their nationwide demands." "This is an effort," he added, "to hold in line those railroads that might try to settle out of the pattern."

From the carriers' standpoint, a number of obvious benefits can come from creation of a national labor relations organization.

Since 1941, conference committee activity has been almost a constant thing, with one series of negotiations following closely on another and—at times—two or more cases being progressed simultaneously. The conference committees, however, have been ad hoc groups, formed only when negotiations were brought on by union demands.

The carriers lacked a permanent staff. Personnel were drawn from the railroads, from the regional associations, and from outside of the industry as the need arose. And, with negotiations on one dispute or another almost

WATCHING WASHINGTON WITH WALTER TAFT

● **REPEAL OF THE TAX** on fares of railroads, bus lines and domestic water carriers was the principal transport legislation enacted this year by Congress which was headed toward adjournment last week. The repealer, which becomes effective Nov. 15, will end the 10% levy on rail, bus and water-carrier fares and cut the air-fare tax from 10% to 5%. This failure to repeal the air-fare tax is regarded as significant. It amounts to legislative recognition of the principle that user charges should be collected on publicly-provided facilities for air transportation. This is in line with the position of the air lines which, like motor carriers, accept the principle of user charges, however much they may argue about what they should pay. Only the water carriers now claim a vested right in subsidy.

THE 1962 SESSION'S RECORD on other legislation of interest to the railroads is quite sparse. It includes acts to authorize motor carriers to establish joint rates with water carriers for shipments to and from Alaska and Hawaii and the other states; to exempt REA Express from provisions of the Interstate Commerce Act's Section 4; and to permit regulated transportation companies to carry forward net operating losses for seven years (instead of five years) for income-tax purposes.

THIS LIBERALIZATION of the carry-forward arrangement was recommended by President Kennedy in his Transportation Message. It is important to several railroads which find the five-year period running out before they have made any net income to offset against their losses.

THE INCOME TAX CREDIT provided in the General Tax Act is also of interest to the railroads. It is designed to stimulate capital investment, and is thus another phase of President Kennedy's investment-incentive program, which also includes the new depreciation guidelines promulgated by the Treasury Department last July.

ANOTHER FEATURE of the tax measure authorizes the charging of lobbying costs as business expenses. Because this clears up an area which has been quite hazy, it is welcomed by business generally, including the railroads.

MEANWHILE, of course, there are many things which the railroads did not get this year, including enactment of bills to implement President Kennedy's Transportation Message, and the urban-transit bill to authorize $500 million in federal loans and grants to aid in financing commuter facilities. On the other hand, they didn't get any adverse legislation, such as the proposed merger moratorium which would have precluded ICC approval of big mergers until Dec. 31, 1963. The Railway Labor Executives' Association's unsuccessful undertaking to have the moratorium resolution passed was its big push of the session.

The ADJOURNMENT will end the 87th Congress' last session—unless there is a special session, which is not expected. Thus all proposed legislation left pending at any stage short of final enactment will be dead. Its prompt reintroduction in the next session is anticipated, of course; and the Kennedy Administration's undersecretary of commerce for transportation, Clarence D. Martin, Jr., is on record with a prediction that the President's program, which is the railroad program, too, will get strong shipper support and be cleared by Congressional committees early next year.

constantly under way, the carriers found that operating and labor relations officers were being forced to devote more and more time to conference committee work, less and less to their actual railroad jobs.

In practice, regional differences gradually faded away. Negotiations were handled, informally but in fact, on a national basis, usually by a subcommittee formed from the three regional conference committees with the full committees called in as they were needed.

Formation of a permanent national labor conference has been proposed from time to time. And, about two years ago—shortly after the carriers took a major step toward seizing the initiative with their Nov. 2, 1959 work-rules demands — planning for the NRLC began.

Economy—of time, money and personnel—will be a major benefit from the new program. Railroad operating and labor relations officers will be freed, to a large extent, from time-consuming conference committee work. Expenses involved in retaining counsel and other specialized personnel from outside the industry will be minimized.

Continuity of action, however, may be the major benefit derived from NRLC operations. With a permanent bargaining team set up, and a permanent staff available, long-range planning can be undertaken. Rail unions, long accustomed to making the first moves in labor matters, may find the carriers taking greater initiative than they traditionally have.

An actual improvement in management-union relations could also grow out of NRLC activities—because the group will be permanent and will remain in closer contact with the labor organizations. Further, it will provide a continuing point of contact with the various government agencies concerned with rail labor matters.

NRLC's relationship with individual railroads will not differ significantly from the relationship of the carriers and the conference committees which formerly handled negotiations. A railroad usually gave power of attorney to the committee representing its region; now the power will be given, when negotiations are necessary, to the permanent bargaining group.

Also unchanged—but now formalized—is Mr. Wolfe's position as spokesman for the carriers on labor matters. The former CB&Q vice president for labor relations (who started with Burlington in 1918 as a coal-chute laborer) has spoken for the three regional committees on both the recently concluded non-op wage case and the still-unsettled work-rules dispute with the operating unions.

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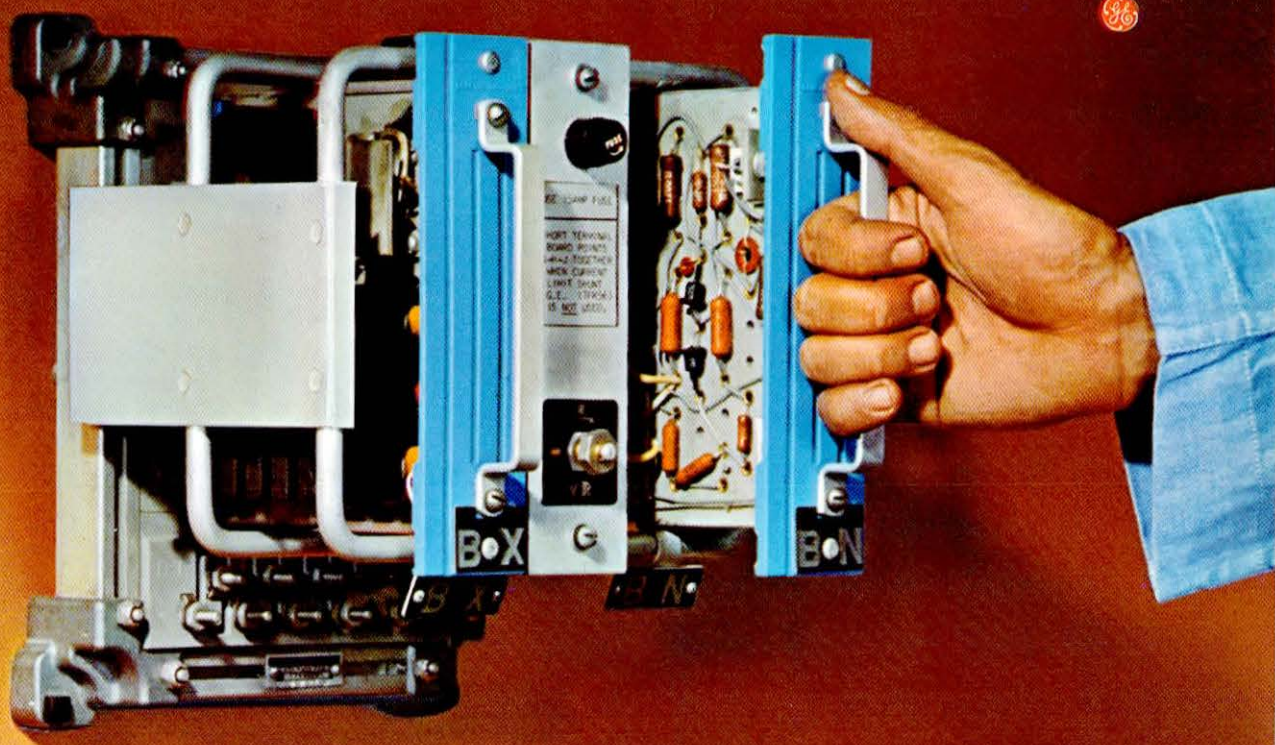

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GENERAL ELECTRIC

Rails Face Threat Of RUIA Tax Boost

► **The Story at a Glance: Railroad unemployment insurance benefit payments for 1961-62 were the lowest since 1955-56—but proposals to increase both the contribution rate and the tax base, plus continuation of "inequities" in the Act, are preventing any overly optimistic view of the situation. Thomas M. Healy, management member of the Railroad Retirement Board, terms the $50-million reduction in benefit payments "the brightest spot" in RUIA operations. But, he warns, "instead of proposals to increase assessments against the railroads to re-finance the account, depleted by over-generous liberalizations, the motion should be towards removal of the inequities in the Act which have cost the railroads millions of dollars each year."**

Part of the decrease in unemployment benefit payments over the past year can be attributed to exhaustion of benefits, normal and extended. But, the Railroad Retirement Board's Thomas M. Healy noted recently, credit also should go to the improved placement and policing activities of RRB field personnel, unemployment claims officers on individual railroads and other carrier officers.

During fiscal 1961-62, he told the 50th annual meeting of the Treasury Division, AAR:

- Jobs were found for 43,056 unemployment insurance claimants. Savings are conservatively estimated at $6.5 million.
- Claimants were disqualified in more than 17,000 cases, resulting in denial of 230,000 days of claimed unemployment. The savings: a minimum of $1.5 million.
- Through railroad cooperation in reporting questionable cases and in special extensive checks, $3.7 million was recovered in benefits claimed and paid for days on which claimants received vacation or holiday pay, or pay for time lost; or for days on which claimants equaled or exceeded mileage or hourly schedules, were on leave of absence, missed or refused calls or were actually employed.
- Management and labor officers arranged more than 7,000 job transfers to other seniority districts or departments on the same railroad or to other roads, in identical or different occupations. In most cases, transfers were accomplished without loss of time by the employees involved. The savings: another $1.5 million.
- An additional $12 million in unemployment and sickness benefits was recaptured from personal injury settlements or in off-sets against annuities under the Railroad Retirement Act.

These operations, plus a reduction of more than $527,000 in administrative costs, Mr. Healy pointed out, produced net savings to the account of more than $25 million—better than half of the total $50-million reduction in benefit payments.

Balancing these gains, however, are two minus factors, as RRB's management representative sees it: proposals to increase company-financed contributions to the unemployment account and the failure to remove "inequities" from the Act.

The current suggestion, he noted, involves both an increase in the tax base under the Railroad Retirement Act and increases in the maximum contribution rate and the tax base under the Unemployment Insurance Act.

The RRB proposal would jack up the taxable earnings base from $400 to $450 a month and would be applicable equally to employers and employees. The RUIA plan would increase the base in the same fashion—but it would also boost the maximum tax rate from the current 3¾% to 4¼%. Contributions to the unemployment insurance account are made solely by the carriers.

Approval of both increase proposals, Mr. Healy told the railroad treasurers, would raise from $528 to $621 the cost per employee per year levied against railroads. For the industry as a whole, this would mean an increase of about $77 million annually, based on an average of 830,000 employees. In contrast, the per-employee annual cost (to the carriers) of railroad social insurance programs was just $325 in 1956 and $234 in 1946.

Instead of thinking in terms of boosting assessments, RRB's management member contended, Congress should move toward removal of provisions which the carriers have long attacked as inequitable.

During the most recent benefit year for which full data are available, Mr. Healy said, these "inequities" drained the account of more than $41.8 million—divided this way:

- $6,274,000 to 5,800 employees who were discharged.
- $1,496,000 to 2,600 employees who were suspended.
- $6,744,000 to 7,100 employees who quit their jobs.
- $4,237,000 to 18,700 employees who were on strike.
- $6,000,000 to 78,700 employees who were furloughed because of strikes or who were restricted by picket lines.
- $3,248,311 to 2,600 employees for maternity benefits.
- $12,842,000 in unemployment and sickness benefits to employees 65 or over, many of whom were entitled to immediate annuities under the Railroad Retirement Act.

Mr. Healy's reaction: "No one wishes to deny or restrict unemployment benefits to railroad employees idled through no fault of their own or of management. But . . . these unjust financial burdens upon railroad employers should be removed by the Congress."

Statistically, the RUIA story for 1961-62 was one of declining income and declining expenditures—though outgo exceeded income by about $76 million.

At the close of the fiscal year, the unemployment insurance account owed the retirement account (and the U. S. Treasury) more than $303 million, representing borrowings to finance 1959 and 1961 liberalizations of the Act.

For the retirement account, the statistics were reversed. Both income and expenditures were up slightly in 1961-62 over the previous year.

Citing recent actuarial studies, Mr. Healy noted that, through 1961, retired and deceased employees had contributed an estimated $1.5 billion in taxes—but the benefits paid to them and their families already amounted to $9.5 billion, more than six times the contributions paid. Considering past and future benefits together, he said, the ratio of benefits to taxes paid by employees comes to about 14-to-1.

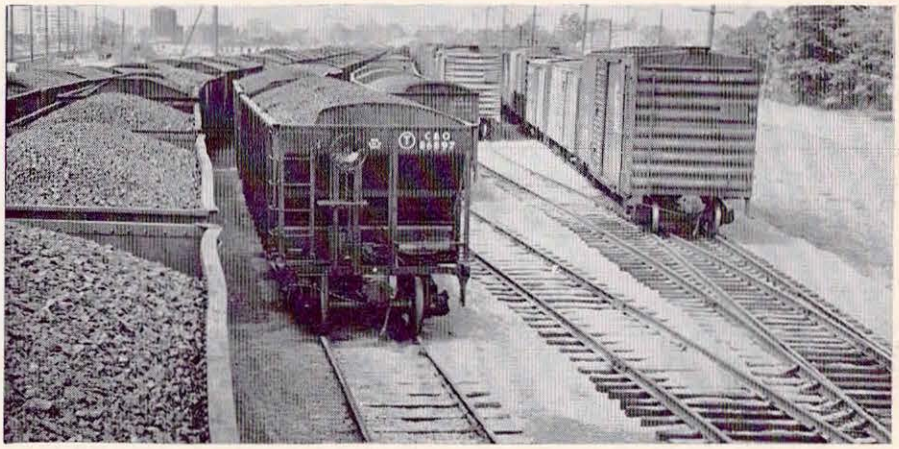
Further, he said, the value of future benefits with respect to retired and deceased employees (at the close of 1961) amounted to almost $9.5 billion. Funds on hand then—$3.7 billion on a cash basis—amounted to only 40% of the liability associated with these employees.

Mr. Healy sees little of value in "proposals, tied to the age-old panacea for financial deficiencies, to increase tax assessments. [These], throughout the history of the world, rarely provided a permanent cure. On the contrary, as in the case of the Railroad Retirement Act, they are merely an avenue ever leading to higher and higher assessment grounds."

SEVEN NEW TRACKS at the east side of C&O's Walbridge Yard increase storage capacity by 250 cars.

OPERATION SPEED-UP—22

C&O Yard To Handle Grain Fast



ADDED STORAGE CAPACITY at Walbridge Yard comes in handy for coal toward the end of the grain shipping season.

A triple-purpose expansion of facilities at Chesapeake & Ohio's Walbridge Yard will speed movements of grain through the port of Toledo, Ohio, and at the same time produce for C&O savings estimated at $20,000 annually.

Toledo's increasing importance as a grain center—and the pressure which increasing grain traffic put on the railroad's storage facilities—triggered the project. But the grain shipping season is a relatively short one—about six hectic weeks in mid-summer—so the Walbridge expansion was also designed to provide additional track space to handle coal (over an 11-month shipping season); and to provide a convenient assembly point for freight cars awaiting repair.

Seven additional storage tracks were built, upping Walbridge's storage capacity by about 250 cars. Total cost of the project (performed by C&O forces): $200,000.

Railroad officers say the resulting time savings on grain movements can be measured in days. Inbound grain is inspected by the Toledo Board of Grain Inspectors only at certain specified locations—in this case, Walbridge. But storage facilities there were cramped, and C&O often had to transfer grain to a nearby yard after inspection.

Handling grain to and from Ottawa required about four days for processing and dispatching. With the addition to Walbridge's storage capacity and the elimination of the Ottawa switch, that processing time can be cut in half.

Walbridge handled about 6,300 grain cars in 1961, topped that figure in 1962 and promises to be even more active as Toledo gains stature as a port for trans-shipment of grain overseas.

Even now, however, C&O's Presque Isle facility is the largest coal-handling operation on the Great Lakes—and when the pressure for grain storage space eases, the new trackage is available for temporary storage of coal (the grain season normally ends about Sept. 1, the "coal season" has extended into every month but February). When neither grain nor coal is moving in quantity, Walbridge's seven new tracks will do duty as hold tracks for cars scheduled for repair.

This is the second major improvement to be made at the Toledo yard in the past year. Earlier, C&O installed a second hump track to permit classification of two cuts simultaneously. Where classification capacity was once severely limited, C&O now has the potential to hump about 2,500 cars per day—and obtained the additional capacity at a fraction of the cost of a new yard (RA, July 2, p. 16).

Education Payoff Is 'Fast, Obvious'

Eliezer Krumbein

Railroad men have to think in terms of returns on investment—and sometimes that isn't easy. How, for instance, do you measure the return—in dollars and cents—on the investment required to send a man to school for a six-week cram course on transport pricing policy? The Transportation Center at Northwestern University has held such a course for the past four years. It's a sophisticated program on price theory, using tools and techniques of economic analysis directed toward transportation and distribution rate-making policy.

But what's the payoff?

The Transportation Center set out to find out. Here, as outlined by Eliezer Krumbein, assistant director of education at the Center, are some of the ways theory has been translated into practice.

Q. The Transportation Center made a rather thorough survey of the men attending its 1961 executive seminar in transportation pricing policy. Why?

A. This was the first attempt to evaluate the seminar's impact on the student from the employing firm's point of view. We have, of course, detailed information about the impact of the seminar upon the men themselves. Primarily we undertook the task to make sure of something which is of vital concern to the men in transportation, industry and government who decide when and how to spend the millions of dollars that are spent at every level for development of personnel. We wanted to know if the men attending these seminars were getting something of value—not the enrichment which can accrue to any man spending a couple of weeks in a community where intellectual inquiry is the order of business (rather than business itself), but instead to see if something of value comes to the company that spent the money to send the man here to the Transportation Center in the first place. If managements are willing to spend money, they have a right to know what they're buying. That is what we hoped to be able to tell them about when we queried our last year's students.

Q. What sort of things did you want to know so you could establish whether a company got its money's worth?

A. Ideally speaking, we set out to establish four things. First, what did the man learn? Second, how long did he retain it? Third, can he apply it to his job? And, last, but of great importance, will he be allowed to apply his new insight once he's back on the job?

Q. Wouldn't you have to have a fairly exact idea of how much and what he actually learned here?

A. Yes, of course. It's imperfect, at best, but we make a serious effort to interview entrants in depth, to establish a working grasp of the man's preconceived thought structure and his prior knowledge. The men are, of course, observed closely during the course itself. We have a depth interview after the work here—and the men then fill out detailed questionnaires, anonymously, which point-blank ask them what new areas were opened to them via the course. We ask for candid opinions and, believe me, we get them.

Q. How did you go about establishing whether the payoff for companies sending men here was enough?

A. We gave a question to all the men. We assured them of anonymity and bluntly asked them for comments about *real* accomplishments. Their answers would, we believed, tend to indicate if the insights received at the Transportation Center stuck with them, if they're applying them to their job and if they're being allowed to put their knowledge to work. We asked for comments on new ideas or plans they developed in their work during the seminar or directly as a result of it, for use back on the job.

Q. Did they all report that the course helped them do a better job?

A. I wish I could say yes. Several said flatly that the course was of no help. Several men didn't even bother to answer. But, many did reply. Most of them, as a matter of fact. Some of the replies didn't amount to much, it's true. But more than half the class of 38 answered in interesting detail about how the course helped in some specific area of achievement since they went back to their company.

Q. Can you cite some of the more concrete replies?

A. One railroad man replied this way: "I'm trying to fit in some of the pricing theory I learned to trainload lots of a certain commodity from a certain location to coast ports, to try to meet foreign prices on the same commodity. We have not been able to participate in the present market because of price disability which amounts to $5 a ton. The market amounts to 60,000 tons."

Q. Do you know if he succeeded?

A. Yes, as a matter of fact, he did. Here's another specific application that delighted us here at the Transportation Center because it reflects the kind of analytical approach to problems we consider essential to transportation nowadays: "I've certain specific ideas (developed at the seminar) for use in connection with pending proceedings before the Interstate Commerce Commission. For example, the examiner, in a recommended report in an automobile piggyback proceeding, involving rail rate reductions, emphasizes inelasticity of demand for automobiles, concluding that they should accordingly carry high rates. I intend to point out in oral argument that the pertinent inquiry is with respect to elasticity of demand for *rail transportation* of automobiles. This demand is clearly quite elastic. . . ." He made his argument to the court and got a ruling in his favor.

Q. Did any of the replies show application toward operating betterment?

A. Well, this was a pricing policy seminar, but we had some interesting comments from folks with operating backgrounds. For example, one operating officer replied: "The thought developed, as the seminar ensued, that there is a floor on prices, established by competitors, but there is no floor on costs. As a rare operating person in the class, the thought arises that one of the real hopes likely is in the operating field in cost control innovations. It is my

intention to work toward renewed activity in generating operating officers' responsibility in the pricing aspects of our railroad business."

Q. In all, would you say the response to your survey was proof that transportation companies get a fast payoff on the money they invest by sending their men here for such work as your pricing policy seminar encompassed?

A. Hardly proof, but certainly indicative. In one case I know of a man who actually secured a volume movement of new business as a direct result of his new ability to grasp costing factors. The new business resulted in his railroad's getting, every year, about a half million dollars of traffic they had not gotten before. We, hopefully, regard this as a valid objective for the mind-stretching that the man got here. It's entirely possible, of course, that he would have done the same if he had never attended our seminar. We believe, however, that the general, overall activity of the men who have come here for specific work will show clear results over a period of years. The Transportation Center has a young faculty and they are not compartmented in their backgrounds. They are from Northwestern University's faculty in areas as diverse as psychology, sociology, labor relations, mathematics, economics and industrial relations. The pricing seminars give students a vigorous, abrasive period of contact not only with the Transportation Center's specialists but also with bright minds from research, operations, traffic, rates and other business jobs in the person of their fellow students—and this period of focus on transportation pricing policy cannot help but have an important effect upon seminar students.

Q. I take it that the Transportation Center regards the seminars on pricing policy as a different kind of education for transportation men?

A. Yes. Usually transportation courses are taught by transportation professors teaching institutional transportation theories. Northwestern believes that the new, fast-changing transportation scheme of things needs to be structured differently and that the quickest way to accomplish this is by meaningfully relating academic, business, industry and technological spectrums of experience. We have an idea, and more than a hint from our experience—this is our fifth seminar on pricing policy coming up early in November—that the educational payoff is quick, obvious and of enormous importance to the transportation industry, particularly to the railroads.

RAILROADING AFTER HOURS WITH JIM LYNE

$772 MILLION IN LOANS TO RAILROADS—A chief railroad executive has kindly passed along to me a great big table which shows the disbursements of the International Bank for Reconstruction and Development in loans to railways outside the U.S. Total principal amount disbursed is approximately $772 million, to some 16 railway systems. This figure exceeds by $126 million the total capital expenditures of all U.S. railroads in 1961. India heads the list with $337 million.

Anyhow, I am glad to see the money going for railroad purposes, rather than for a lot of other things it could have been spent upon.

WHAT IS YOUR 'STOCHASTIC CHOICE?'—Mathematical highbrows among readers of these lines may be interested to know I have received a copy of a book entitled "Stochastic Choice of Mode in Urban Travel: A Study in Binary Choice." The author is Stanley Leon Warner of the Transportation Center at Northwestern University, and the financial sponsor was the Automobile Manufacturers Association. Stochastic, the dictionary says, means about the same as "random"—but it will take more than a dictionary to explain to me the meaning of the fancy mathematical formulas the book contains.

What it is all about is the effect of personal income, direct expense, convenience, time consumed, and other such factors in determining whether a dweller on the outskirts of a big city will choose travel by auto, by suburban train or city transit when he goes into the central city. If I'd been setting up the problem, I'd have introduced one more variable, viz., contribution of taxpayers to the total economic cost of the trip. My guess would be that this factor is usually the major determinant of the type of transportation selected, for most people.

FUNNY PAPERS IN MEAT TRUCKS—I referred here Aug. 27 to a rumor I'd heard that eastbound meat truckers were getting exempt return loads for their westbound haul in the form of Sunday newspaper supplements (an economy enabling them to set low rates on meat).

I expressed my mystification at comic supplements being considered as newspapers—hence entitled to "exempt" status. The law also limits the exemption to trucks used *exclusively* in newspaper distribution.

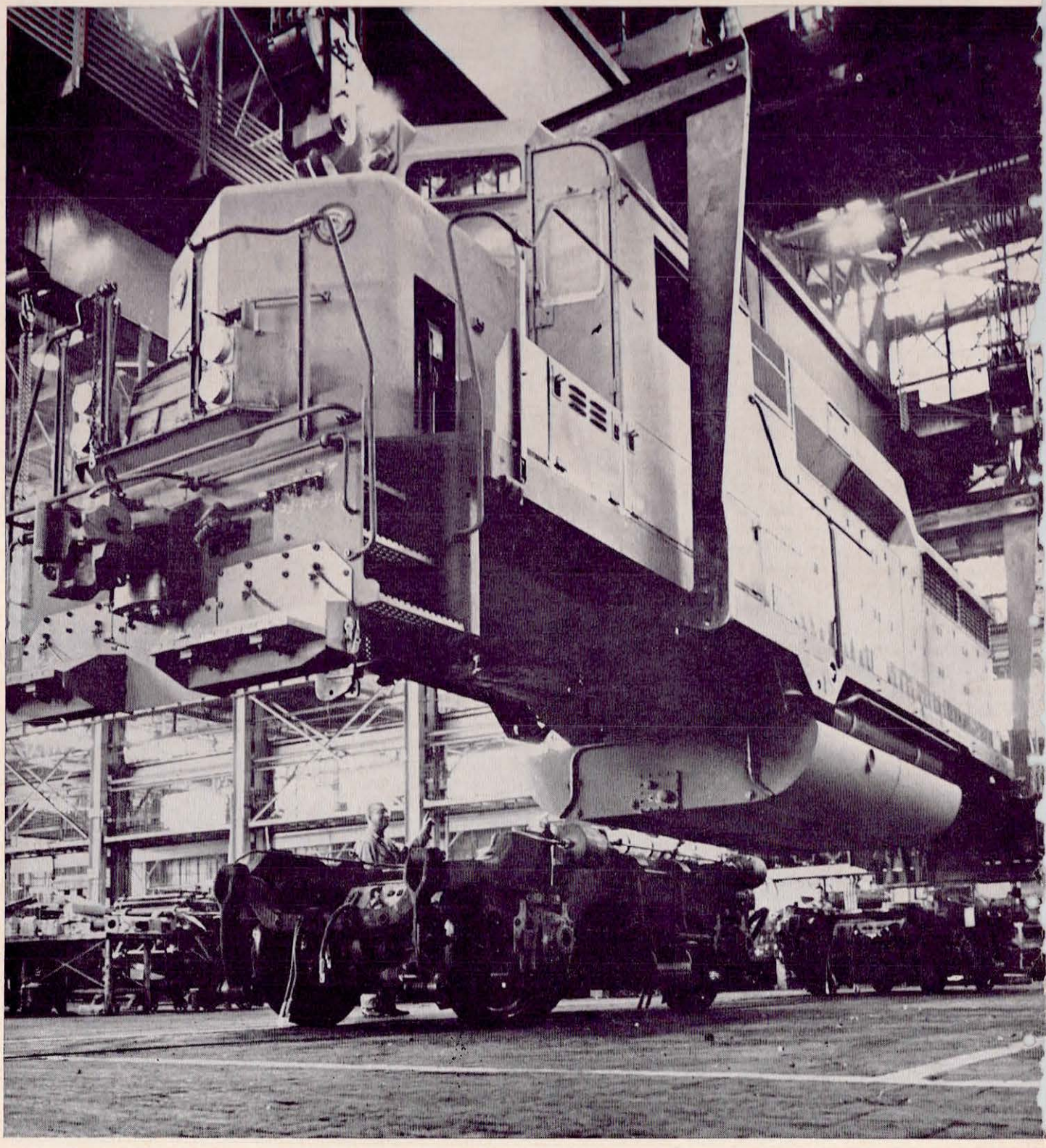
Traffic Manager R. A. Cooke of the American Newspaper Publishers Association, in a courteous letter, has removed my ignorance, citing an Appeals Court decision of Aug. 19, 1948, which ruled that funny papers are, nevertheless, newspapers. Mr. Cooke also explains that *exclusively* refers to the trip where exempt newspapers are hauled—not to the use of the truck in the opposite direction. Mr. Cooke's association was in this case as *amicus curiae* and its lawyer was the late Parker McCollester, than whom they didn't come any smarter.

Thanks to Mr. Cooke, I now understand the legality of using meat trucks to haul funny papers—but I am still in the dark as to the logical or economic reason for such exemption (unless, of course, all commodities were exempt for all carriers—which would suit me fine).

CLASS RATES A 'TYPHOID MARY?'—P. A. Walsh, Northern Pacific's chief rate officer, tells me he has done us the honor of reprinting, for rather wide distribution, the articles we published in our Aug. 27 and Sept. 24 issues, which called into question the economic wisdom of the so-called "class rates." For years now these rate scales have seemed to me to be competitively and economically cockeyed. They could scarcely be more effective in minimizing railroad earnings and driving away business than if they had been specifically designed with that purpose in mind (as I feel certain they were not).

In all this period I have not found anybody who would defend these rates. Nevertheless, they are still in use—not very often directly of course, but as a model for other rates. They are kind-of like Typhoid Mary, a carrier of illness. If I'm mistaken in my opinion of these rates, I wish somebody would set me right. Surely somebody must like them—but why?

General Motors Celebrates the



THE HISTORIC 25,000th locomotive built by General Motors is shown being set on trucks in the EMD plant at LaGrange, Ill. The 2,250-hp GP-30 is one of more than 800 such units ordered or reserved by 16 U.S. railroads. It will go into service on the Louisville & Nashville after delivery.

FIRST FREIGHT LOCOMOTIVE built by EMD was a 4-unit, 5,400-hp FT model (right), completed in November 1939 and subsequently tested for 11 months, making 83,000 miles. The locomotive, sold to the Southern in 1941, was presented to the National Museum of Transportation on Aug. 3, 1961.

Production of Its 25,000th Diesel

Ceremonies at Electro-Motive's LaGrange, Ill., plant mark the delivery of a 2,250-hp GP-30 diesel-electric locomotive unit to the Louisville & Nashville—the 25,000th General Motors unit built by EMD, Canadian and overseas plants. Locomotive development in last century was spotlighted at the festivities by the L&N's famous steam locomotive, the "General," operating under its own power and supplying dramatic contrast to the high-horsepower diesel-electric unit. Engineering exhibits and a track display of early models also showed how GM locomotives and components have been improved during last 25 years

General Motors completed its 25-000th locomotive on Oct. 4. In ceremonies marking its presentation to the Louisville & Nashville, the L&N's "General," reported to be the oldest active steam locomotive in the world, and a GP-30 met on the grounds of Electro-Motive's plant at La Grange, Ill.

The "General" steamed into the plant under its own power, along with another trainload of U.S., Canadian and overseas railroad officers, press representatives and business leaders, who came to salute an historic production milestone in diesel locomotive history.

The "General," a midget-size locomotive by today's standards, is carried on the active locomotive roster of the L&N as locomotive No. 3. At a blast of its whistle, the GP-30, soon to go into service on the L&N, burst through a paper barrier symbolizing the 25,000th GM production unit.

The new 2,250-hp locomotive is one of more than 800 such units either already delivered, on firm order, or on reservation by 16 major U.S. railroads. The GP-30 line was announced at the General Motors Technical Center near Detroit last October 18 (RA, Oct. 23, 1961, p. 16), and has been in production since April of this year. The first commercial unit was delivered to the Reading in Philadelphia, Pa. (RA, April 16, p. 34). The 25,000 locomotives built since the first GM diesel-powered unit includes locomotives built by EMD at LaGrange, by General Motors Ltd., London, Ontario, Can., and by six overseas associate manufacturers to whom EMD ships locomotive components.

R. L. Terrell, GM vice president and EMD's general manager, welcoming visitors to the ceremonies, pointed out that production of the 25,000th unit was significant in two ways:

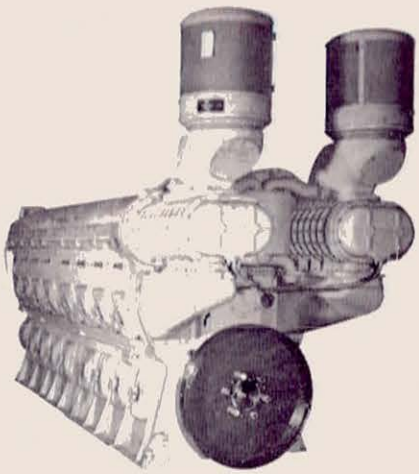
"First, it provides an indication of the widespread acceptance of the diesel locomotive on American and overseas railroads—an acceptance gained by its outstanding performance and economic contribution in railroad operations.

"Second," he said, "it was achieved in scarcely more than 25 years, which focuses attention on the dramatic improvement in manufacturing techniques and facilities which has made possible the mass production of such a huge and complex product. The importance of this is demonstrated by the fact that the locomotive being honored today—vastly superior in every way to our first production model, costs much less per horsepower in spite of great increases in manufacturing costs that have occurred in the intervening years."

The "General," hauling a coach symbolic of an earlier day in railroading, and a modern gallery-car and dome-car train powered by a GM passenger unit, moved side-by-side from Union Station, Chicago, to the Burlington's Congress Park station. There they were transferred to the Indiana Harbor Belt for the final leg of the trip to EMD. Ahead of the trains was a third locomotive and an open gondola car to accommodate newsreel and press cameramen.

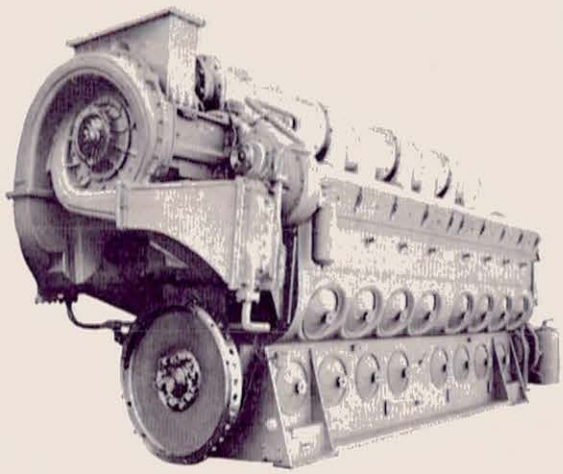
Upon arrival at the plant, visitors were taken on a tour of the manufacturing facilities and were also shown the manufacturing steps under EMD's locomotive replacement plan. The 25,-000th unit, replacing a 1,500-hp F-3 freight locomotive delivered to the L&N in 1948, is one of a group of 29 loco-

Exhibits Show Significant Design Advances ir



16-cylinder—567A engine—FT model

Type	45 deg "V" uniflow- 2-stroke
Size	8½- x 10-in.
HP—total	1,350 traction/1,475 gross
Speed, rpm	800
BMEP, psi	80.5
Torque, ft-lb	9,700
Engine weight, dry, lb	29,950



16-cylinder—567 D-3 engine—GP-30

Type	45 deg "V" uniflow- 2-stroke
Size	8½- x 10-in.
HP—total	2,250 traction/2,450 gross
Speed, rpm	835
BMEP, psi	128
Torque, ft-lb	15,450
Engine weight, dry, lb	34,000

motives so purchased with deliveries starting in August.

At EMD's main plant, a series of engineering exhibits and component displays described the continuing progress in the development of the diesel locomotive showing significant advances made in capacity, performance and reliability within the physical dimensions of earlier components. EMD's strict engineering policy has made improvements applicable to earlier models.

An engine display featured a GM 8-cyl 201-A engine, the forerunner of the present 567 series. It is the actual engine that powered the Burlington's "Pioneer Zephyr" on its run from Denver, Col., to the World's Fair in Chicago on May 26, 1934. Two 567 engines were shown, the 16-cyl 567-A that powered the original FT locomotives, and the latest 567-D3 power plant for the GP-30. Traction motors included the first production model D-7, and the latest D-57 motor. Similar displays included the Roots blower and the turbocharger (which made the 567-D3 engine possible), cast liners and the latest fabricated liners, and the G-7 and GP-30 voltage cabinets.

"Our engineers have succeeded in putting close to 10 gallons in a five-gallon bucket," Mr. Terrell said. "Output of the engine and capacity of the electric transmission have been greatly increased, yet the bore and stroke of the 567 engine remains the same and the exterior dimensions of the traction motor housing and armature are unchanged from original models. The 567-A engine, rated at 1,350-hp in the 16-cyl model, has been increased to 2,400 in the 567-D3 for application to the six-motor SD-24 locomotive. Traction motor horsepower has been almost doubled, from 337.5 in the D-7, to 562.5 in the D-57. At the same time, tractive effort of the 4-axle freight locomotive has been increased from 32,400 to 50,000 lb."

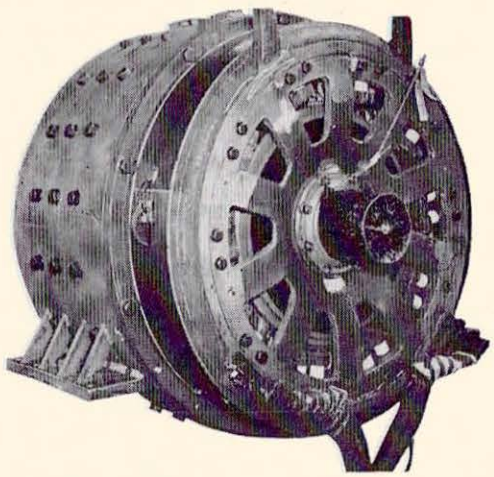
Locomotives in the track display, in addition to the 25,000th unit and the "General" with its special coach included:

- A Santa Fe gas-electric rail car, EMD's first product which proved the feasibility of the internal combustion engine in railroad service. Some 700 of these units were sold to U.S. and Canadian railroads from 1924 to 1932.
- A B&O 2-unit FT locomotive—symbolic of the first mainline diesel-powered freight locomotive in American railroad service.

First Deliveries of EMD Locomotive Units

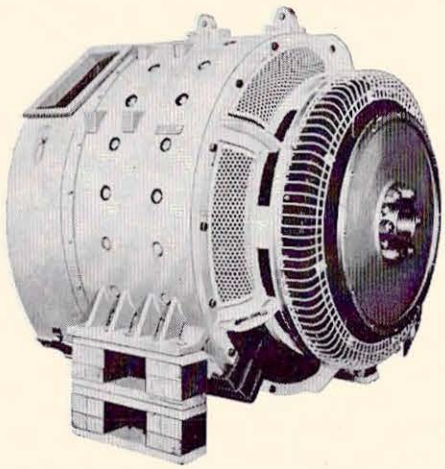
TYPE	HORSEPOWER	RAILROAD	DATE
FT	1,350	Southern	1941
F3	1,500	AT&SF	Oct. 1946
F7	1,500	D&RGW	Nov. 1948
F9	1,750	Milwaukee	Jan. 1954
GP7	1,500	NC&StL	Jan. 1950
GP9	1,750	Milwaukee	Jan. 1954
GP20	2,000	Western Pacific	Nov. 1959
GP30	2,250	Reading	April 1962

GM's Diesel-Electric Locomotive Components



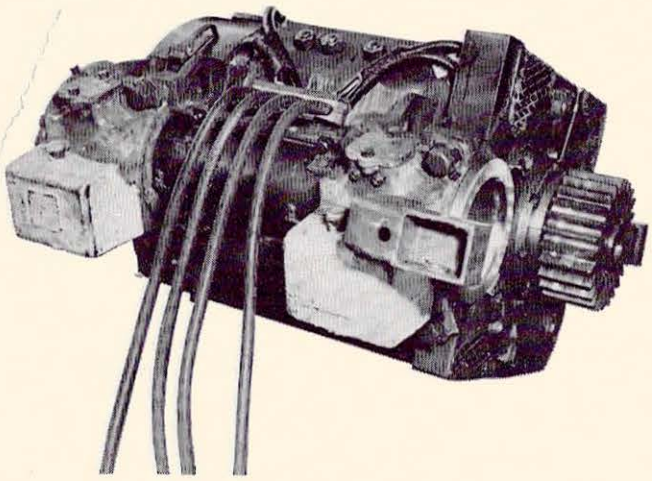
D-8 generator—used on FT locomotives

1,350-hp at 800 rpm
Maximum voltage 875
Continuous current ..... 1,800 amp
Fan ventilated
Insulation ..... Class B system throughout



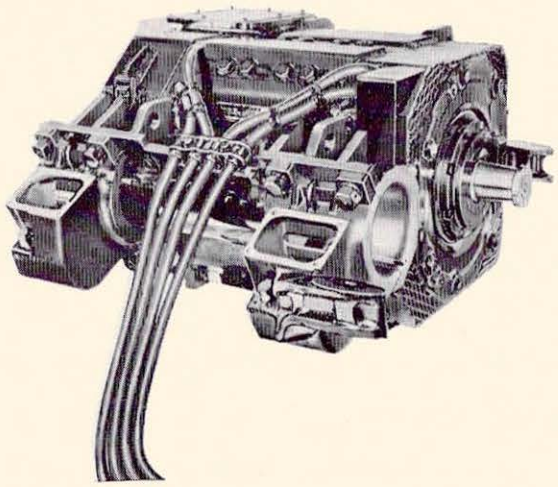
D-22 generator—used on GP-30 and other road locomotives

1,800 to 2,400-hp at 835 rpm
Maximum voltage 1,000
Continuous current ..... 2,400 amp
Blower ventilated
Insulation—Armature ..... Class H system
—Stator ..... Class F and H



D-7 traction motor—used on all FT and earlier locomotives

365-hp
Maximum voltage 1,000
Continuous current ..... 700 amp
Insulation ..... Class B system throughout



D-57 traction motor—used on GP-30 and other current locomotives

565-hp
Maximum voltage 1,000
Continuous current ..... 980 amp
Insulation ..... Class H system throughout

• A new export locomotive, the 800-hp JL-8 for the Irish State Railways. This is one of 37 to be delivered to Ireland later this year and early in 1963.

Principal speakers, in addition to R. L. Terrell, were James M. Roche, executive vice president of General Motors in charge of non-automotive divisions, and W. H. Kendall, president of the L&N.

The commemoration ceremonies began a three-day celebration which included a special day for more than 4,000 supplier companies, a preview luncheon for civic leaders in neighboring communities, and an open house on Saturday.

P&S Men Solving Inventory Problem

► **The Story at a Glance: The purchasing and stores man's biggest headache—and, perhaps, his greatest accomplishment—over the past few years has been inventory reduction. He has used existing techniques and, in many cases, developed new ones to produce cleaner and more economically stocked shelves in rail storehouses. How has he fared? What techniques has he used? What does he expect from inventory control in the years immediately ahead? Here's how P&S men are viewing their accomplishments—and their problems.**

A recent sampling of Class I railroads across the country by Railway Purchases & Stores shows that in the past 10 years railroad inventories have, on the average, dropped—in dollar value—by about 40%. The biggest factor permitting this reduction: "improved P&S techniques." And of the roads surveyed, more than half say they expect to make further inventory reductions in the immediate future.

Generally, Eastern carriers report the highest inventories and less inventory reduction in the past decade, while Western roads report intermediate inventory levels and recent reductions. Midwestern railroads report low inventories coupled with large recent reductions.

For the years ahead? Eastern railroads generally say they expect to make substantial inventory reductions. Midwestern carriers have mixed intentions. About two-thirds plan further reductions. The others don't.

Western carriers are generally agreed that they have no further inventory fat to slice away.

What helped most in reducing inventory? For the most part, railroads attribute their success to improvements in P&S techniques, consolidation of facilities, improvements in engineering and operations demands and a closer liaison between using departments and P&S.

Although all roads queried report inventory reductions, not all used the same methods and not all are sure what areas can stand further inventory paring. The inventory situation is apparently based on shifting conditions from area to area. Here is the report from one Eastern carrier:

"In the past 10 years, inventory was reduced 35.1%. Factors that helped were reduced maintenance programs with the consequent need for less material; and technical and engineering improvements which have reduced consumption of some materials and, consequently, lowered the amount of material needed to keep the railroad operating.

The P&S contribution toward inventory reduction included closer work with all departments on their programs; cooperation and specific assistance in reducing the quantity of material and the number of locations at which material was stored; buying closer to the actual time of need (which includes techniques allowing local storekeepers to release orders for parts directly to suppliers); better and faster delivery of materials; supplier cooperation in carrying stocks of material in frequent demand; and the removal of substantial quantities of obsolete and no-longer-required material."

Further reduction in inventory is expected. Reasons: by mid-1963 the railroad will be operating under new methods of inventory control, using data processing equipment. It's also expected that continuing progress will be made in working out material control problems with various departments.

Another Eastern road reports a 68.72% reduction in inventory over the same 10-year period. This road found its inventory cut aided by disposal of obsolete material, direct release on blanket orders and consolidation of facilities, shops and storehouses.

This road, too, says further reductions in inventory are expected through use of electronic data processing equipment, expanded use of direct releases on blanket orders and use of containerization to "furnish material on a predetermined basis from base stores for usage at points on the railroad, thereby eliminating the necessity of carrying a stock at some locations."

A Midwestern road reports a 60% reduction, to a current inventory of approximately $10 million. Factors that helped this road cut back were simplification of equipment, consolidation of operations, reduced load time, changes in ordering and distribution and the elimination of on-line storage and redistribution. This road expects no further reductions, but notes that its inventory level may fluctuate.

Another Midwestern road reports a current inventory investment of $16 million, representing a 50% reduction in the 10-year period.

This road cites better deliveries, shorter lead time and good inventory management as the factors enabling it to reduce stock to current levels. Further reductions of 10 to 15% are expected through use of a computer in managing inventory records.

The lowest reported inventory comes from a railroad in north-central territory. The figure: 10%. Reason for the small cut: clean inventory produced by previously "hard" inventory methods. Current investment is approximately $20 million, and no substantial reduction is expected.

From south-central territory, a road reports a reduction of 25.5%. Current inventory: $4,833,362.

This carrier notes that the inventory decrease came about through concentration of work in storehouses in fewer places, diligent and concentrated efforts to reduce inventory by the Stores Department and other interested parties, blanket ordering and local purchasing. Further reductions are expected.

One of the Western roads reporting claims an approximate 50% reduction in inventory in the past 10 years, down to a current investment of about $21 million. Using-department cooperation in scheduling material requirements to coincide with work schedules and mechanized inventory control are cited as basic factors in reducing inventory.

The road also reports that mechanization provides a monthly tabulation of all unapplied material in stores' custody and a knowledge of actual issues rather than transfers between stores points. It also permits movement of material from a store point having an excess to one having a requirement, thus providing better distribution at minimum investment. The end result is that material is no longer ordered as it was in the past: "We would order material when, to the best of our knowledge, principal stocks were nearly depleted. But, aggregately, we had an adequate stock of supplies but didn't know it." Based on present operations, this road reported that no further reductions are expected.

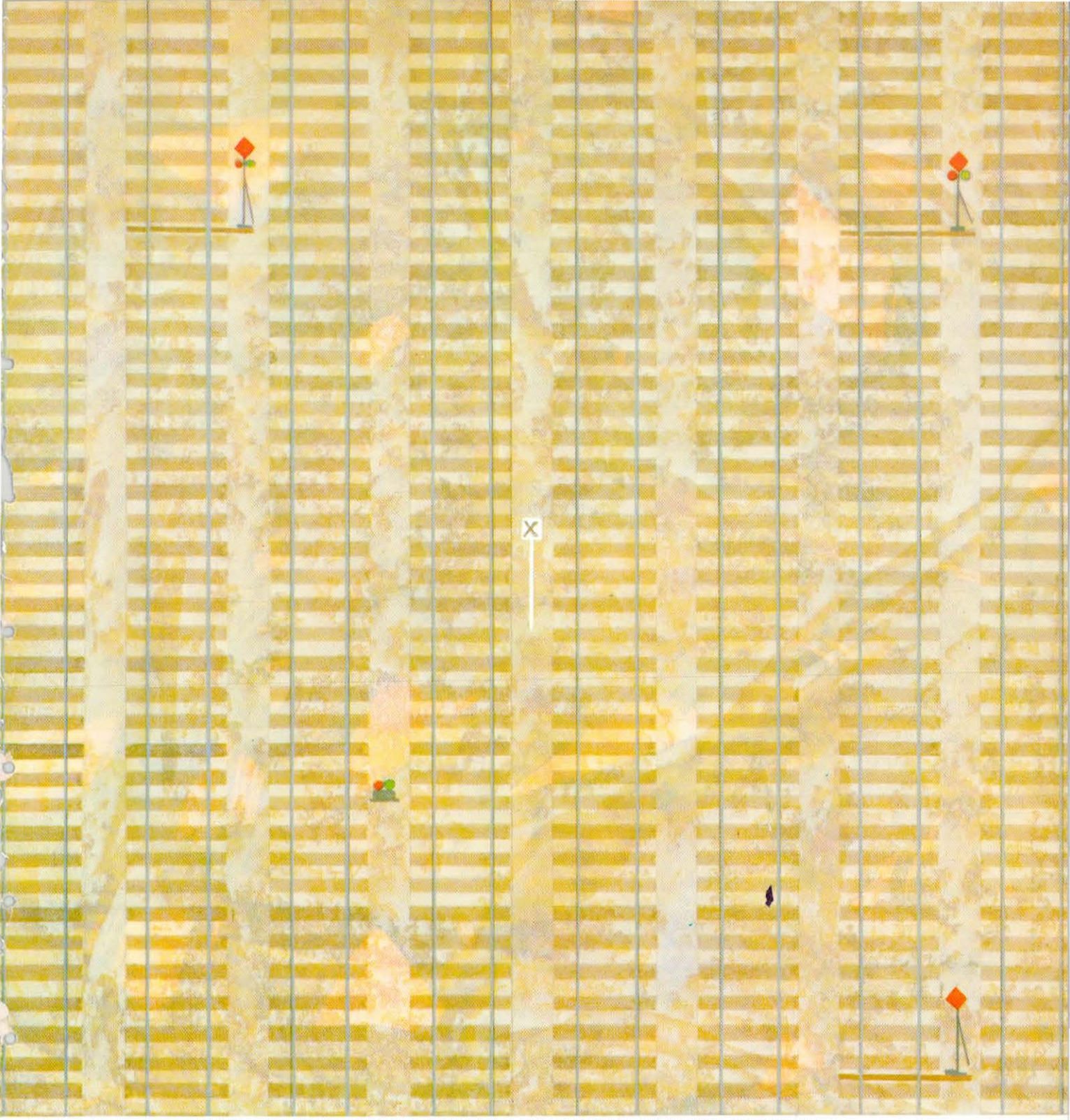
Dividends Declared

ATCHISON, TOPEKA & SANTA FE.—30¢, quarterly, payable Dec. 7 to holders of record Oct. 26.

MAHONING COAL.—$12.50, paid Oct. 1 to holders of record Sept. 24.

NORFOLK & WESTERN.—4% adjustment preferred, 25¢, quarterly, payable Nov. 9 to holders of record Oct. 18.

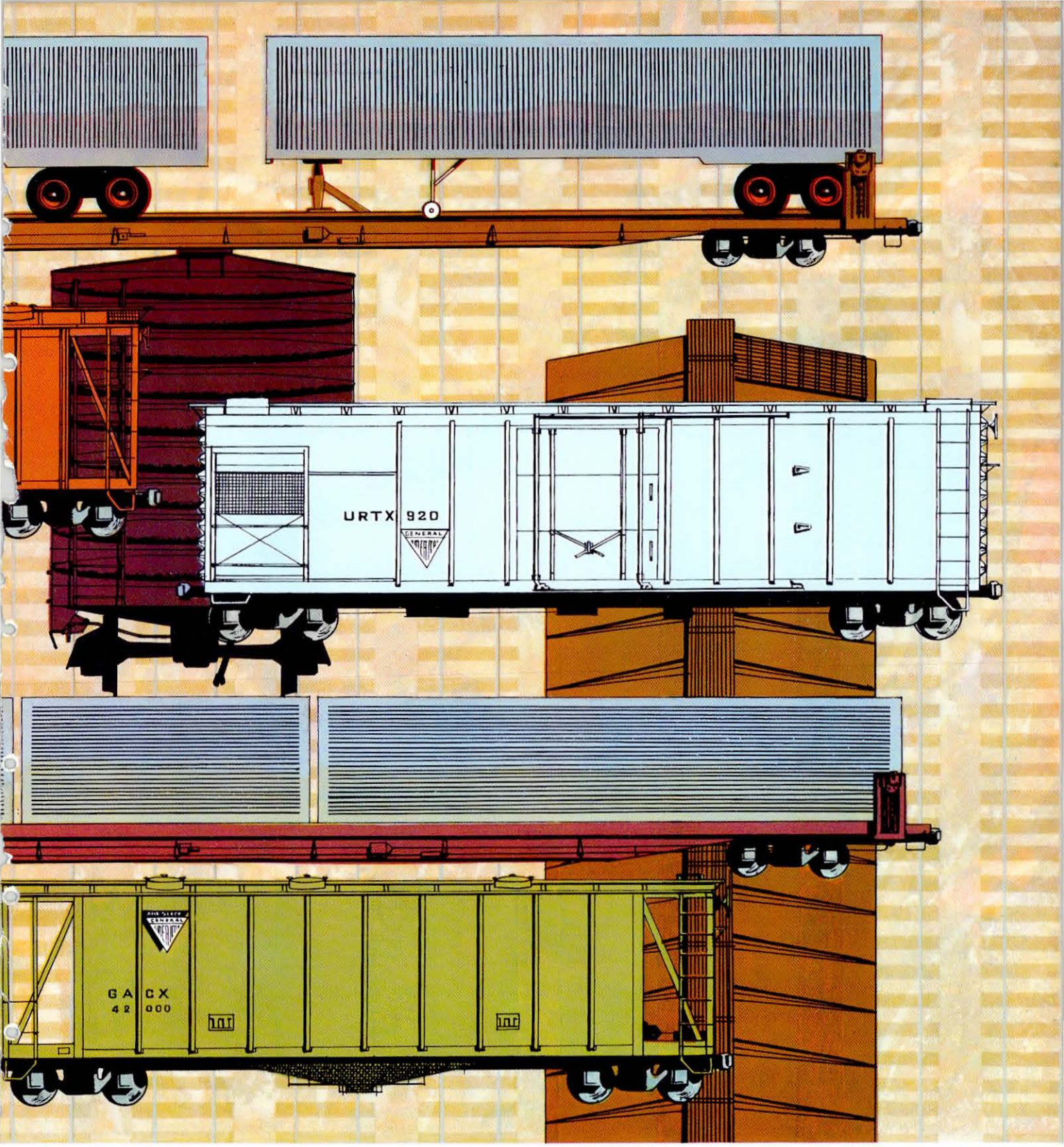
WABASH.—$1, paid Sept. 28 to holders of record Sept. 20.



WHERE DO THE MONEY MAKERS COME FROM?

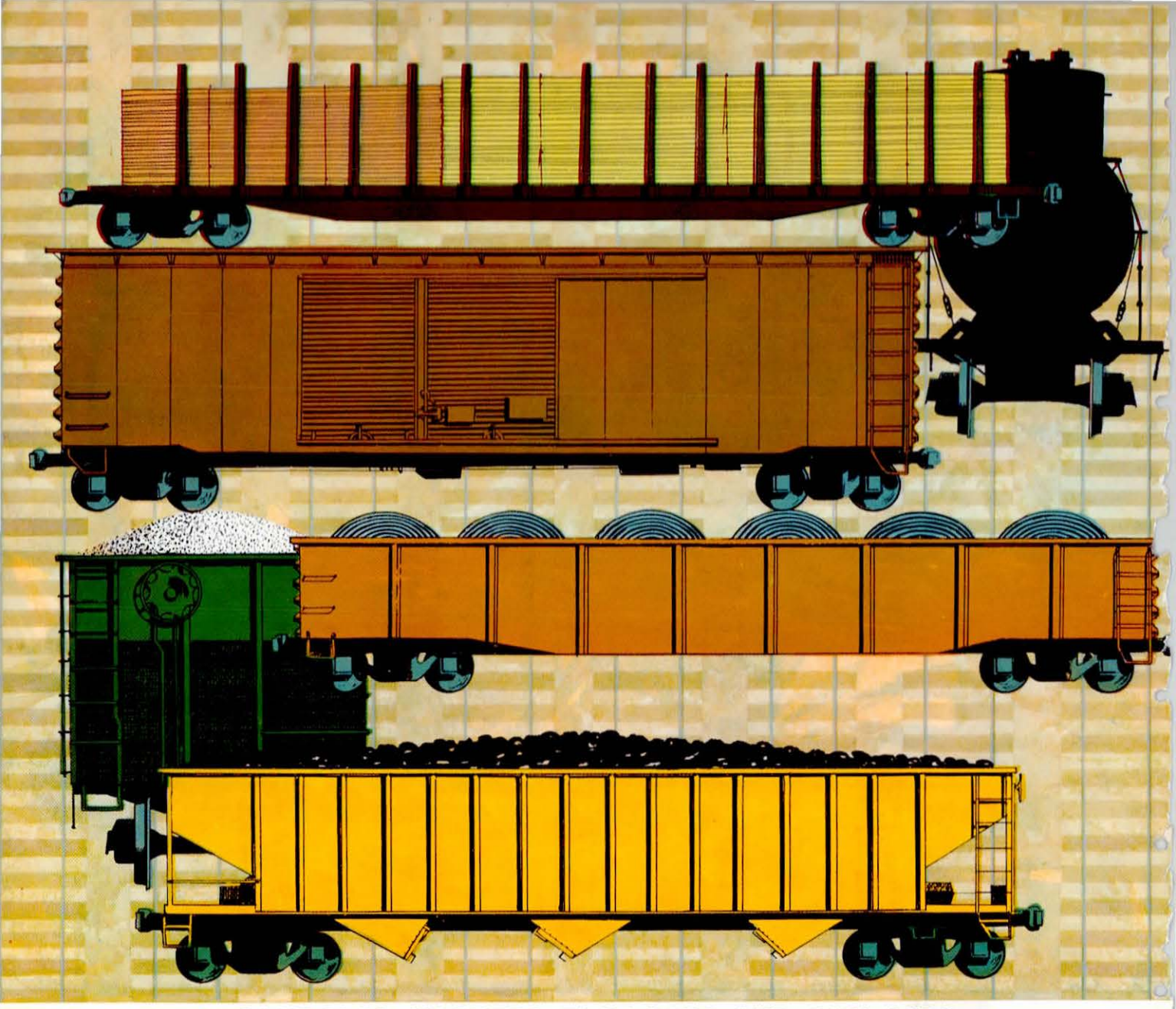
FROM GENERAL AMERICAN. CHICAGO. FI 6-4100

GENERAL AMERICAN IS READY, WILLING, ABLE AND DEVOTED TO KEEPING AMERICA'S FREIGHT TRAFFIC WHERE IT BELONGS. ON THE RAILS. TO THIS END, WE HAVE DEVELOPED UNIQUE PLANNING AND BUILDING FACILITIES. WE DESIGN NEW KINDS OF FREIGHT CARS. WE BUILD ALL KINDS OF FREIGHT CARS. **AIRSLIDE® CARS** DESIGNED SPECIFICALLY FOR BULK SHIPMENT OF FLOUR, STARCH, SUGAR, CHEMICALS AND OTHER LADINGS THAT TEND TO BRIDGE AND PACK. THE AIRSLIDE® CAR UNLOADS FREELY AND EASILY INTO ANY CONVEYING SYSTEM. **DRY-FLO CHEM® CARS** THE IDEAL CAR FOR SHIPPING PELLETIZED PLASTICS AND OTHER GRANULAR PRODUCTS IN BULK. THE DRY-FLO CHEM® CAR UNLOADS INTO ANY PNEUMATIC CONVEYING SYSTEM. **TANK CARS** WE DESIGN AND BUILD OVER 200 DIFFERENT TYPES OF TANK CARS. THEY RANGE FROM GENERAL SERVICE CARS TO SPECIALLY DESIGNED CARRIERS FOR THE MOST HARD-TO-HANDLE LIQUIDS. **MECHANICAL REFRIG-**



ERATOR CARS FRESH MEAT ARRIVES IN FULL BLOOM, AT TEMPERATURE JUST RIGHT FOR SLICING. INSULATION SO EFFICIENT, ONLY A SMALL PROPANE COOLING UNIT IS REQUIRED. ACCURATE TEMPERATURE CONTROL. **G-85 PIGGY-BACK CARS** THE NEW G-85 WITH CUSHIONED RUB RAILS HANDLES ANY COMBINATION OF TRAILERS AND/OR CONTAINERS. EASY AUTOMATIC TIE-DOWN OF TRAILERS. SIDE OR OVERHEAD LOADING OF CONTAINERS. NO SIDE RAILS TO LIMIT LOAD WIDTH. **DIA-FLO CARS** OUR NEWEST COVERED HOPPER CAR IS A BOON FOR FREE-FLOWING LADINGS. CONNECTIONS ARE LOCATED AT DOCK LEVEL. NO HOSE SWITCHING. NO WALKING TO OTHER SIDE. ONCE HOSES ARE CONNECTED AND AIR CONTROL SET, UNLOADING OF ALL HOPPERS IS COMPLETELY AUTOMATIC.

AND WHAT ABOUT THE BREAD AND BUTTER CARS? ⟶



GONDOLAS, HOPPERS, FLAT CARS AND BOX CARS

WE'VE ALWAYS BUILT THE BREAD AND BUTTER CARS. BUT PERHAPS OUR MORE SPECIALIZED CARS HAVE TENDED TO OVERSHADOW THIS FACT. WE BUILD ALL TYPES OF FREIGHT CARS. WE WANT ALL TYPES OF FREIGHT CAR BUSINESS. SO WHATEVER YOUR REQUIREMENTS, CALL CHICAGO, FI 6-4100.

GENERAL AMERICAN TRANSPORTATION CORPORATION

DESIGNERS, BUILDERS AND LESSORS OF ALL TYPES OF FREIGHT CARS

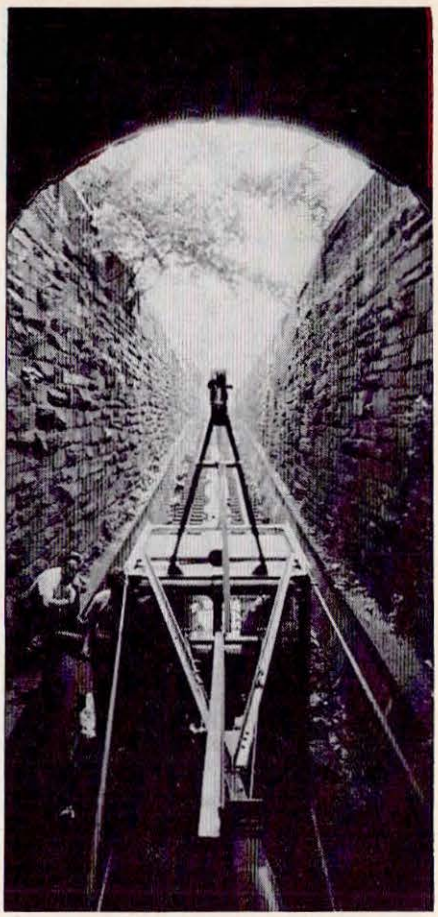
135 South LaSalle Street • Chicago 90, Illinois GENERAL AMERICAN TRADE MARK Offices in principal cities

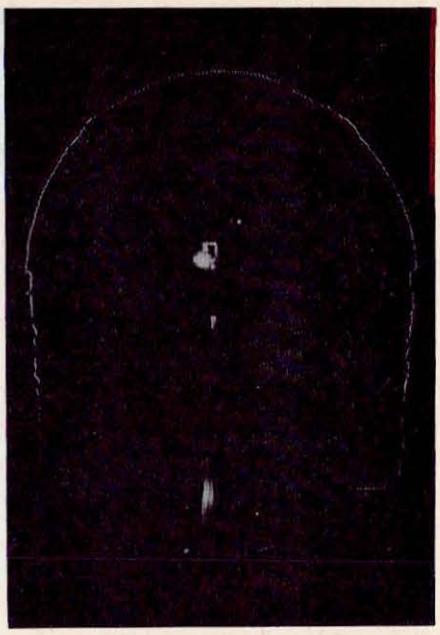
New System for Measuring Clearance

A new system for measuring railroad clearances has become available. Known as the Minimum Clearance Measurement System, it was developed by Scope, Inc., Falls Church, Va. The first unit is reported to be undergoing acceptance tests on the Southern.

Preliminary tests conducted in the Washington, D.C., area are said to have shown that the system provides a relatively high degree of accuracy and is economical to operate.

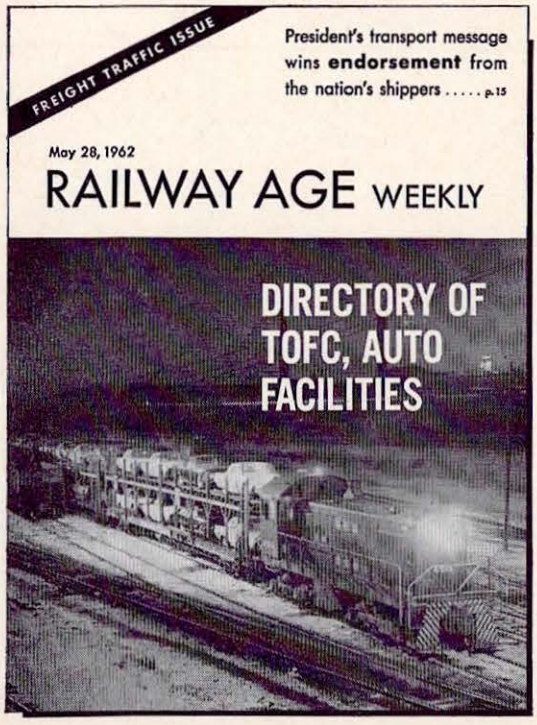
The system involves the use of a device which, mounted on a moving inspection car, uses a special photographic technique to record the dimensions of structures. A high-pressure mercury-gas discharge light source is utilized to achieve an intense brightness. This is focused on a pair of flat mirrors which reflect it at right angles. When the mirrors are rotated at high speeds they are said to create a plane of light which illuminates a thin band of the surface of the structure being measured. A remote-controlled camera photographs this illuminated band, producing a cross section of the surface as the car moves through the structure.





HIGH-INTENSITY light source is mounted on a tripod atop an inspection car (left). Boom in the foreground holds the camera which is part of the system and which took this photograph. Wavy line (above) is the outline of the tunnel as illuminated by the light source on tripod. Vertical bar at bottom center is part of the boom holding camera that took the picture.

FREIGHT TRAFFIC ISSUES
OF RAILWAY AGE


FREIGHT TRAFFIC ISSUE
President's transport message wins endorsement from the nation's shippers ..... p. 15
May 28, 1962
RAILWAY AGE WEEKLY
DIRECTORY OF TOFC, AUTO FACILITIES

are distributed to and read by leading shippers—the only magazine devoted wholly to the promotion of

"SHIP-BY-RAIL"

Shippers who read the Freight Traffic issues control or influence an estimated 95% of the commercial freight movement in the United States, on all types of carriers.

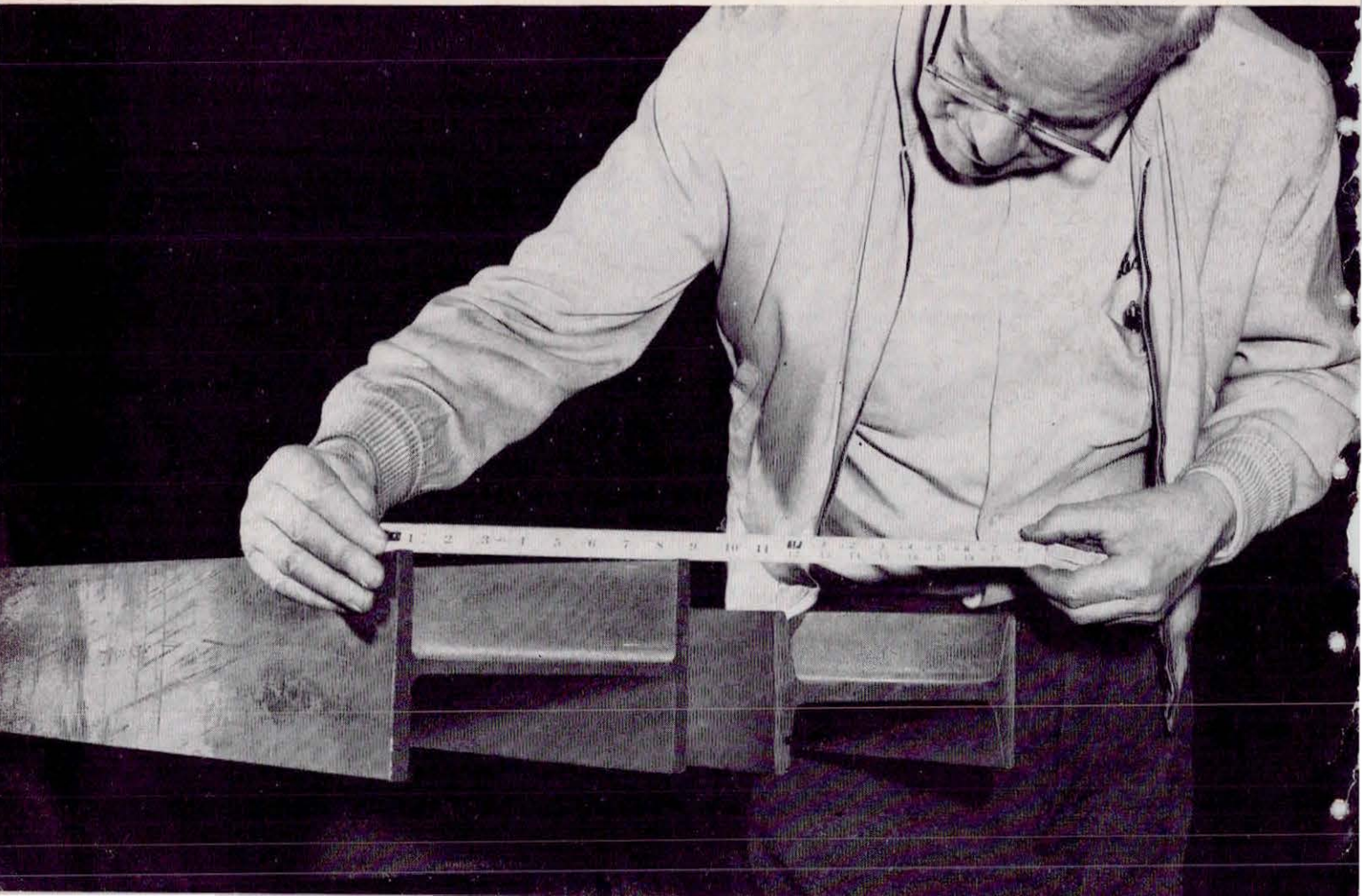
Compare the articles and editorials in the Railway Age "Freight Traffic Issues"* with those in any other traffic magazine. We will be glad to send you a copy of a current issue so that you can check for yourself the important editorial and advertising values.

** The Railway Age Freight Traffic issues are published the last Monday of each month.*

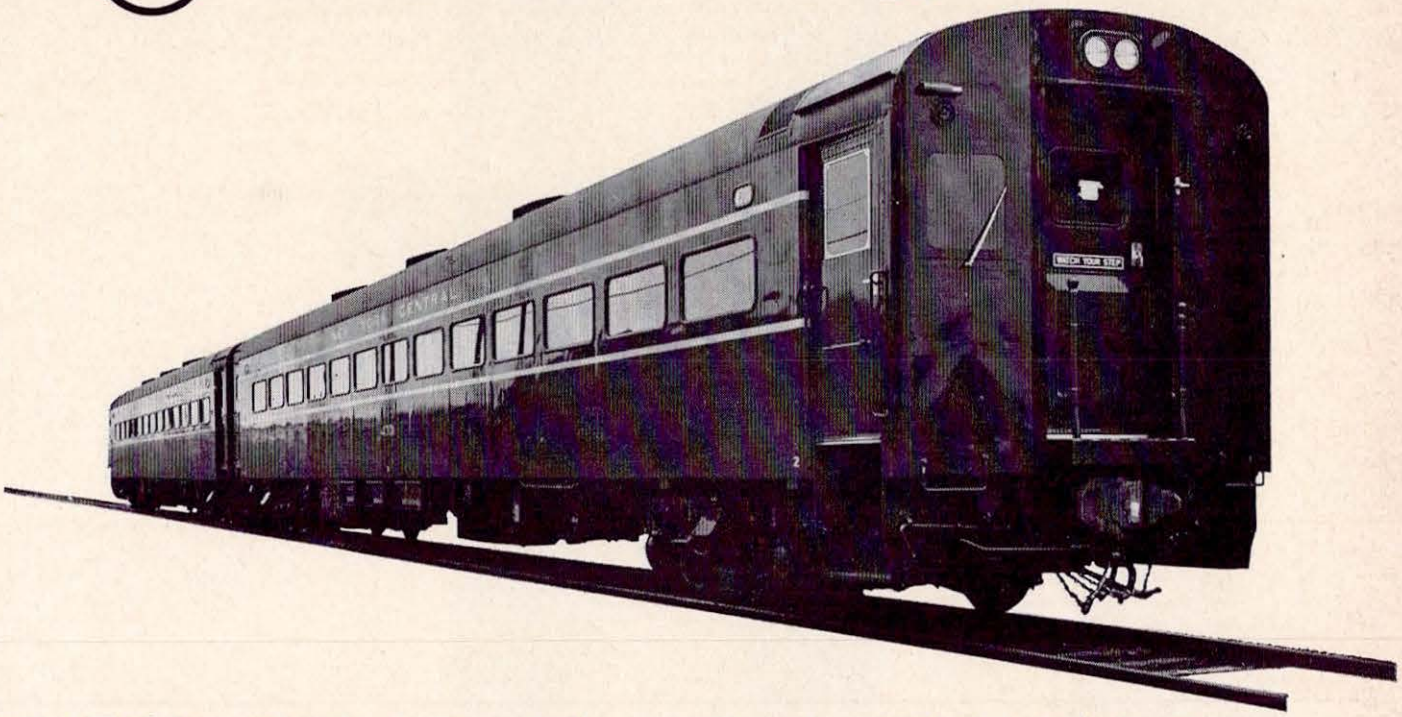
for *maximum* strength,
durability, economy

Light but strong, welded construction with USS COR-TEN High Strength Steel corrugated side panels

Comparison of end post beams showing beam used formerly (left) and new USS "T-1" type A Steel beam which has twice the yield strength of the larger section but weighs 90 pounds less.



Commuter cars built 25% lighter at low cost with USS Cor-Ten and "T-1" type A Steels



By putting 53 of these new, light, handsome steel M-U commuter cars into immediate service, the New York Central expects to attract new business, reduce operating costs, and provide strong, safe, durable cars.

These new cars were built by Pullman Standard for the New York Central and the Port of New York Authority which is acting on behalf of the State of New York under the provisions of the State's commuter car financing program. Each car weighs approximately 57 tons, 18 tons less than the previous M-U cars built in 1951. Designers cut some of the weight with welded construction and by the proper combination of USS Cor-Ten High-Strength Low-Alloy Steel, USS "T-1" type A Constructional Alloy Steel, and carbon steel.

USS Cor-Ten Steel was used in the substructure to achieve lighter, yet stronger, end sills, draft sills, bolsters, and underframes. New USS "T-1" type A Steel quenched and tempered beams were used for diaphragm end posts. In this application, "T-1" type A Steel's high minimum yield strength of 100,000 psi eliminated the need for reinforcement and saved 360 pounds per car.

As important as lighter weight is in car construction, the premium for weight reduction must be low enough to be recoverable during the car's life. With proper usage of our Family of Steels, it is possible to build strong, lightweight cars at low initial cost.

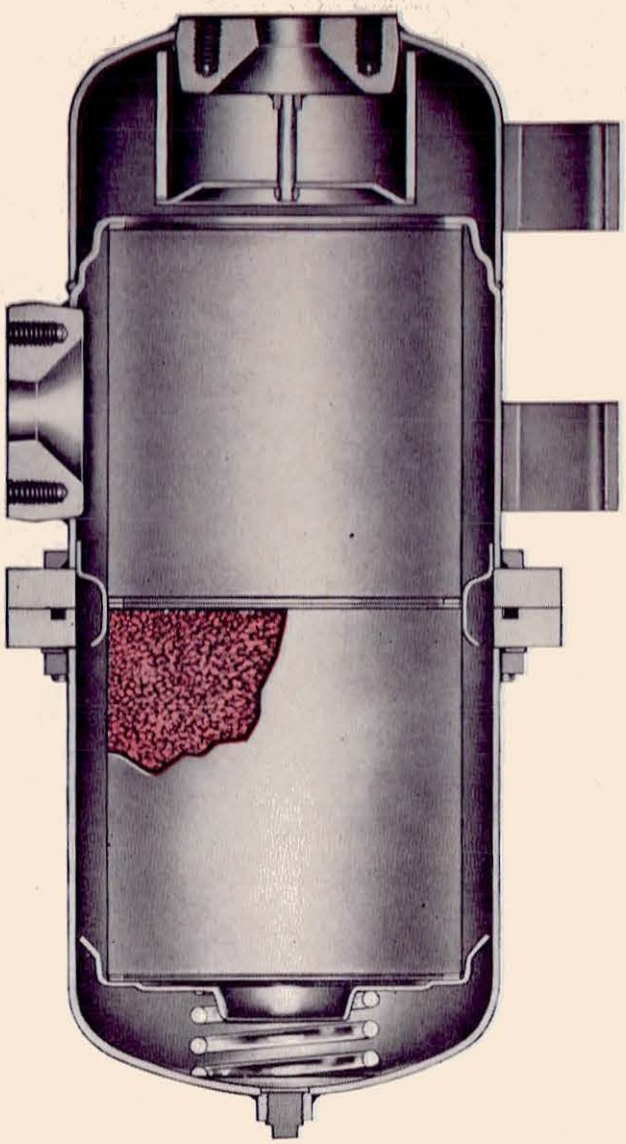
Weight reduction is only one factor in lowering operating costs, particularly in the body; others are strength, durability, minimum maintenance. Car bodies such as these, in which USS Cor-Ten Steel was used extensively, for framing, outer and inner side panels, stiffeners, roof and buffer wings, meet these requirements. USS Cor-Ten Steel is not only 50% stronger than carbon steel but has 4 to 6 times the resistance to atmospheric corrosion. This feature enables it to hold paint at least twice as long as carbon steel. These characteristics, and price, were the reasons for choice of USS Cor-Ten and "T-1" type A Steels in achieving a durable car that will be maintenance-free for years to come.

USS Wrought Steel Wheels, noted for their long service life, were also used on all the cars.

For information or metallurgical help in utilizing any of our Family of Steels used in these cars, write United States Steel, 525 William Penn Place, Pittsburgh 30, Pennsylvania. USS, "T-1" type A, and Cor-Ten are registered trademarks.

United States Steel Corporation • Columbia-Geneva Steel Division • Tennessee Coal and Iron Division • National Tube Division • United States Steel Supply Division • United States Steel Export Company

USS United States Steel



VAPOLEX Filters

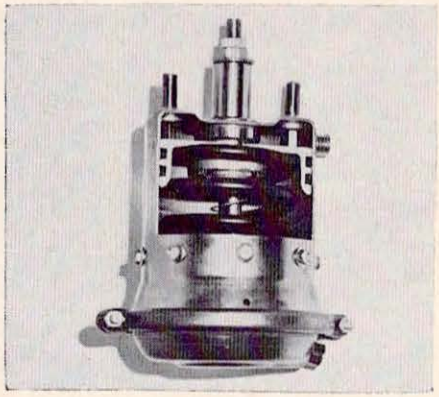
protect air brake systems from oil, carbon, gum and varnish producing substances

Service tests on railroads in different sections of the country, under all operating conditions, prove the effectiveness of Westinghouse Air Brake Division's new VAPOLEX Filter. Even where the air compressor was a known "oil passer," VAPOLEX Filters were found to retain their high efficiency for six months . . . twelve months and even longer. Makes other main reservoir filters unnecessary. Low-cost throw-away filter inserts provide simplified maintenance and extended intervals between cleanings. Your Westinghouse Air Brake Division Representative will review in detail the desirable features provided by this filter.

WABCO

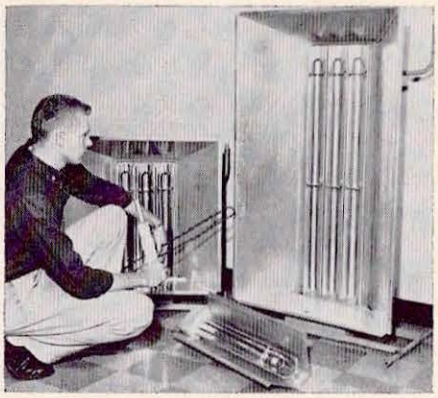
WESTINGHOUSE AIR BRAKE DIVISION
WILMERDING, PA./Westinghouse Air Brake Company

NEW PRODUCTS REPORT (Continued on next page)



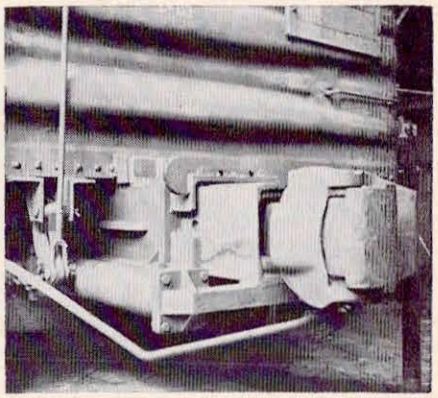
Parking Brake (RA-1)

The direct-mounted Maxibrake safety and parking brake, approved by the California Highway Patrol and accepted by the ICC for use on trucks, trailers, buses, and off-road vehicles using air-brake systems, can be installed both on new and existing equipment. The Push-to-Apply, Pull-to-Release button on the Maxibrake control valve on the dash of vehicles with the Maxibrake gives operator constant control. *Gustin-Bacon Brake Co.*



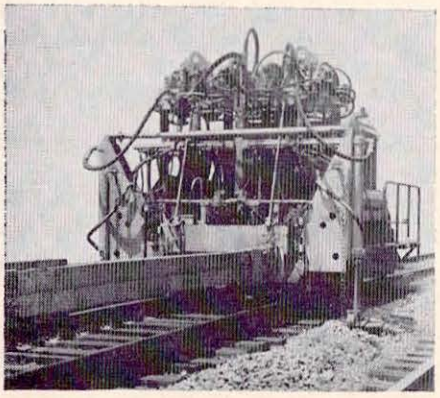
Infrared Heaters (RA-2)

A new line of infrared heating units, offering clean, instant, concentrated heat, may be used for snow melting at power switch locations or for space heating in shops. The salamander-like portable heaters come in various sizes. Power rates range from 2 kw with 240 volts to 13.5 kw with either 240 or 480 volts. The infrared rays travel in straight lines and are not affected by wind or environmental temperatures. *Heatrex, Inc.*



Cushioning Device (RA-3)

The Hydra-Buff, an end-of-car cushioning device, consists of a single-ended, double-acting hydraulic cylinder, with direct fluid metering, which operates in parallel with a system of mechanical stops and a high-capacity centering-spring system. The cylinder has a 14-in. stroke—12 in. in buff; 2 in. in draft. The unit, designed for use with the Type E or Type F coupler on new or existing cars, has limited AAR approval for interchange. *A. O. Smith Corp.*



Jacking Tamper (RA-4)

The new McWilliams Continous Jacking Tamper is said to permit one operator to surface and tamp track at speeds of from 850 to 950 ft/hr. It is comprised of four basic components: an electronic surfacing device that establishes surface and controls the jacking of the track to grade; an electric cross-level control; a hydraulic jacking mechanism; and a 16-tool production tamper. *Railway Maintenance Corporation.*

Drop Wire (RA-5)

Electroform copper-covered steel conductor is available in the improved Alphaduct drop wire. The new wire has an elongation characteristic from 3 to 7%, compared with about 1% for similar drop wires. This increased elongation improves drop-wire reliability under adverse conditions and permits drop wires to absorb shock and strain because of its better elastic properties, thus permitting longer spans, and fewer service interruptions. *General Cable.*

RAILWAY AGE WEEKLY

30 Church Street, N.Y. 7, N.Y. READERS' SERVICE DEPT. (Att. George Johnson)

PLEASE SEND ADDITIONAL INFORMATION ABOUT PRODUCTS ADVERTISED ON PAGES 2 3 4 21 22-23 24 26-27 28 32 41 42

PLEASE SEND INFORMATION ABOUT PRODUCTS DESCRIBED ON PAGES 29 and 30 MARKED RA-1 RA-2 RA-3 RA-4 RA-5 RA-6 RA-7 RA-8 RA-9 RA-10 RA-11

NAME ..... TITLE .....

COMPANY .....

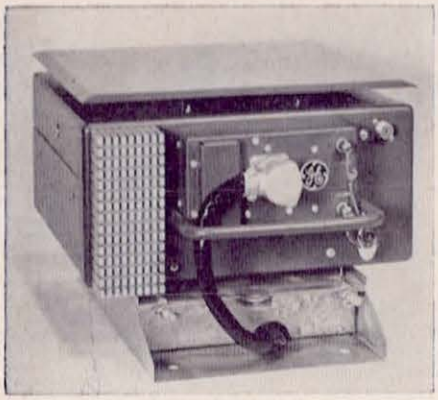
ADDRESS .....

CITY ..... ZONE ..... STATE .....

10/8/62

☐ Please send information about subscribing to Railway Age

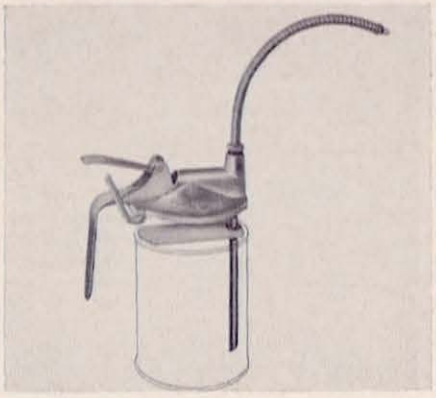
NEW PRODUCTS REPORT (*Continued from preceding page*)



Two-Way Radio (RA-6)

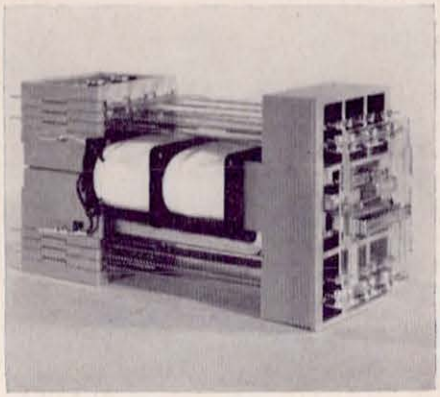
A new railroad two-way radio specifically engineered to withstand the shock, vibration and highly variable voltages of fast-moving trains, called the Train-Commander, uses a new solid-state power supply. A silicon-controlled rectifier inverter permits Train-Com to withstand high input voltage surges which occur in a train's electrical system. Train-Com operates in the 159-162 mc range. It can be installed on trains having 12-volt DC or 72-volt DC power. A new time-ratio regulation circuit, patented by GE, results in constant transmitter output and receiver sensitivity from 58 to 100 volts DC. The rectifiers are made to withstand transient voltages up to 480 volts without damage. As added protection, a transient filter is incorporated in the Train-Com power supply. Ordinary fast-blow fuses are adequate to protect the rectifiers in case of overload.

The receiver is an all-transistor design which draws only 0.1 amp on 12-volt standby operation. A 25-watt Progress Line tubed transmitter is used. Train-Com uses a standard AAR base. *General Electric Co.*



Piggyback Oiler (RA-7)

Designed with a flexible spout for hard-to-reach spots, the Piggy-Back-Oiler quickly converts any standard petroleum quart can into an easily operated thumb pump dispenser. It pierces and then re-seals the can, insuring clean dispensation, plus quick recognition of the contents from the manufacturer's markings. The steel and alloy unit can be transferred from one quart can to another for dispensing. *M G M Industries.*



New Relay (RA-8)

A new relay, designated type J, for use in centralized traffic control, supervisory control systems, logic networks, and communications systems is recommended wherever a small relay with long life and reliability is required. It does not need any initial or subsequent adjustments. Built-in arc suppression eliminates wiring and housing problems associated with external suppression units. The relay's double coil permits flexibility in circuit design; and the physical and mechanical characteristics of the contacts—transfer opening, travel, pressure—contribute to the reliability and long life of the relay. Variations in operating times are small even over a wide voltage range. The type J uses six Form C (dependent front-back) bifurcated silver contacts, providing high relability. There are two independent coils, which may be connected in series or multiple. The type J is 2 in. wide, 2¼ in. high, and 4¼ in. deep. The relay is capable of withstanding a dielectric strength of 1,500 volts. It operates over an ambient temperature range of —60 to +160 deg F. *General Railway Signal Co.*

Woodpecker Repellent (RA-9)

A new repellent, in grease form for application to wood transmission and distribution poles, is designed to repel woodpeckers without killing or in any way harming the birds. It contains a pungent coal-tar derivative in a penetrating pentachlorophenol grease which can be applied in a thick coat. The grease acts as a reservoir for the repellent and allows for its absorption into the wood surface. *Koppers Co.*

Reader-Printer (RA-10)

The Recordak Lodestar reader-printer model PES combines, in one unit, fast information retrieval with pushbutton print-out of enlarged paper facsimiles from microfilm records. In less than one minute a document image can be located on the reader screen and a high quality 8½-in.-by-11½-in. paper print automatically exposed, developed, cut-to-size and delivered. *Recordak, Eastman Kodak Co.*

Heat Generator (RA-11)

Standby or temporary heat is supplied by the Herman-Nelson portable heat generator. The UL-approved Model ZT1100-UL heater is suitable for warehouse, loading platforms, pre-heating engines on mobile equipment, and for thawing frozen materials. It has a rated capacity of 125,000 Btu and a continuous operating period of 16 hr on one tank of fuel. It weighs 125 lb. *American Air Filter Co.*

PEOPLE IN THE NEWS

ATLANTIC COAST LINE.—Paul C. Shu, assistant to vice president—operations, Jacksonville, Fla., appointed general superintendent terminals there.

BALTIMORE & OHIO.—William L. Ollerhead, deputy director, Maryland Port Authority, will become assistant vice president—foreign freight traffic, B&O, a newly created position, effective Nov. 1.

George M. Beischer, chief mechanical officer, **Western Maryland,** Hagerstown, Md., appointed assistant chief mechanical officer, B&O, Baltimore.

BURLINGTON. — Richard G. Johnson, general superintendent of transportation, Chicago, appointed general manager of Lines East, replacing **Ivan C. Ethington,** named assistant vice president-operation. **Earl D. Harville,** special representative to the vice president-operation, appointed acting general superintendent of transportation.

Frank M. Wisnew, district passenger agent, Chicago, appointed general agent, passenger department, Omaha, to succeed **Frank J. Swircin,** retired. Mr. Wisnew's successor is **B. D. Good,** passenger agent, Chicago.

G. T. Anderson, assistant auditor of car accounts, Chicago, named auditor of car accounts there, succeeding **C. W. Sholes,** retired Sept. 30.

CANADIAN NATIONAL—GRAND TRUNK WESTERN.—William J. Dewan, assistant manager of public relations, St. Lawrence region, CN, Montreal, appointed public relations manager, GTW, at Detroit, Mich., succeeding **A. A. Monson,** retired.

The Western headquarters of CN Telecommunications has been moved from Winnipeg, Man., to Edmonton, Alta. The rapid growth of telecommunications facilities in the Yukon and Northwest Territories was cited as an important reason for the change of location.

A. P. Lait, manager of convention and special traffic, passenger sales department, CN, retired Sept. 30 after 50 years of service.

CENTRAL OF GEORGIA.—Robert K. McKinnon, planning and construction engineer, appointed to the newly created position of assistant chief engineer, Savannah. **Curry S. Robey** appointed valuation and real estate engineer, succeeding **Russell E. King,** named engineer of tracks.

CHESAPEAKE & OHIO.—E. L. Morrison, Jr., assistant to vice president—labor relations, has been reassigned to the operating department as assistant to vice president—operations, Huntington, W. Va., and his former position abolished.

CHICAGO & WESTERN INDIANA.—Robert E. McMillan, formerly director, management research and planning, Chicago & Eastern Illinois, appointed general manager, C&WI.

CHICAGO PRODUCE TERMINAL CO.—Urban P. Washburn, superintendent, Chicago, appointed general superintendent there, to succeed **Ralph W. Swartz,** general manager, who retired Sept. 30.

ERIE-LACKAWANNA.—Alan K. Frost. assistant to chief engineer maintenance of way, retired Sept. 30.

FRISCO.—C. B. Anderson, superintendent dining car service, Springfield, Mo., retired Sept. 30.

GULF, MOBILE & OHIO.—E. B. deVilliers, assistant vice president, traffic department, Mobile, Ala., appointed vice president, traffic department there, replacing the late **L. A. Tibor.** Mr. deVilliers' successor is **K. G. Gottschaldt,** general freight traffic manager, rates and divisions, Mobile.

LOUISVILLE & NASHVILLE.—I. W. King appointed assistant manager car utilization, Louisville, Ky. **N. K. Ferguson** named engineer-methods and procedures, Louisville.

Olen M. Ryan named supervisor, loss and damage prevention, Knoxville, Tenn.

MISSOURI PACIFIC.—Harry E. Hammer named assistant director of public relations and advertising, St. Louis. Mr. Hammer was formerly director of public relations of the **Reading** (RA, Sept. 24, p. 66).

Title of **G. W. Johnson** and **C. I. Shelton,** formerly assistant chief personnel officer, changed to assistant director of labor relations.

MISSOURI PACIFIC-TEXAS & PACIFIC.—M. E. Parks appointed assistant to the president-personnel, St. Louis.

NORFOLK & WESTERN.—Everett M. Dudley, freight traffic manager, eastern territory, appointed assistant vice president—sales and service, succeeding **Robert F. Dickson,** who retired Sept. 30. **James T. Cutcliff,** assistant freight traffic manager, Roanoke, promoted to freight traffic manager—sales and service, eastern territory, replacing Mr. Dudley. **C.**

William L. Ollerhead
B&O

Richard G. Johnson
Burlington

Ivan C. Ethington
Burlington

Everett M. Dudley
N&W

James T. Cutcliff
N&W

Thomas L. Davis
N&W

Robert C. Haldeman
Southern

H. L. Kent
Stanray

Arthur A. Frank, Jr.
Stanray

Harris Shane
P-S

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comfort, convenience, luxury at reasonable rates . . . from $8.85 single, $11.85 double, including TV and air-conditioning . . . plus free swimming in Olympic pool on premises.

Special family, week-end and group rates . . . Convenient to 5th Avenue, Grand Central Station, Air Line Terminals, Mid-Town Business Appointments . . . All good reasons for wide acceptance by business and pleasure travelers who know

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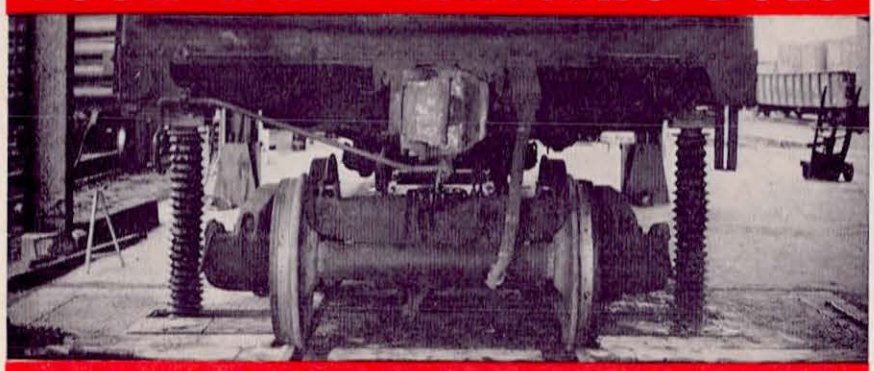
YEAR 'ROUND POOL

LOOK WHAT WHITING DOES



TO CUT "BAD ORDER" TIME

Reading's new Progressive Spot Repair System at Newberry Junction, Pa., saves time and money with three Whiting products.

Whiting Trackmobile provides faster, safer, more economical progression than cable-type pullers, simultaneously pulls a bad order car into position while pushing repaired car to "okay" area.

Whiting Ripjacks are pushbutton controlled to transverse from 6′8″ to 9′8″ centers, fit all standard car widths, lift one end of loaded car 60″ for easy truck removal. Also equipped with lifting beam for jacking cars without pads.

Whiting Trambeam Jib Cranes feature three hoists for holding side frames and bolster of disassembled truck in convenient working position, and are equipped with automatic hose reels for oxygen, acetylene, solvent, oil and air.

FREE—Bulletin RJ-C-101 tells how Whiting helped engineer this time-and-money-saving system—and how it can do the same for you.
Whiting Corporation, 15603 Lathrop Avenue, Harvey, Illinois. In Canada: Whiting Corp. (Canada) Ltd., 350 Alexander Street, Welland, Ontario, Canada.

90 OF AMERICA'S "FIRST HUNDRED" CORPORATIONS ARE WHITING CUSTOMERS

WHITING

RAILROAD EQUIPMENT

MANUFACTURERS OF CRANES; TRAMBEAM® HANDLING SYSTEMS; PRESSUREGRIP®; TRACKMOBILES®; FOUNDRY, RAILROAD, AND SWENSON CHEMICAL EQUIPMENT

Edwin Gorman, freight traffic manager, Roanoke, named freight traffic manager—staff at that point, a new position. **Cecil R. Purdum,** general agent, Philadelphia, Pa., appointed assistant freight traffic manager, New York, succeeding **Thomas L. Davis,** advanced to freight traffic manager—sales and service, southern territory, Roanoke. **Harry Paul, Jr.,** district freight agent, Cleveland, Ohio, named general agent, there, succeeding **Frank W. Anderson, Jr.,** transferred to Toledo, Ohio, to replace **Donald W. DeVore.** Mr. DeVore succeeds Mr. Purdum.

NORFOLK SOUTHERN.—**J. W. Linton** appointed master mechanic, Raleigh, N.C.

ONTARIO NORTHLAND.—**T. D. Saunders,** chief engineer, appointed acting director of planning and research, North Bay, Ont. **J. S. Cooper,** assistant chief engineer, appointed acting chief engineer.

SOUTHERN.—**W. E. Currence,** division passenger agent, New Orleans, La., promoted to assistant general passenger agent, Jacksonville, Fla., succeeding **W. S. Hyman,** retired after more than 46 years of service. **N. J. Spicuzza,** traveling passenger agent, promoted to district passenger agent, with headquarters remaining at New Orleans.

Robert C. Haldeman, formerly a transportation economist in the U.S. Department of Agriculture, has joined the Southern's recently created Marketing and Research Department as senior transportation economist, at Washington, D.C. **C. B. Chapman** and **H. A. Fulmer** appointed division passenger agents at Atlanta, Ga., and Asheville, N.C., respectively.

WESTERN MARYLAND.—**Walter C. Kresge.** superintendent car equipment, promoted to chief mechanical officer, Hagerstown, Md., succeeding **G. M. Beischer,** named assistant chief mechanical officer, **Baltimore & Ohio,** Baltimore.

Supply Trade

H. L. Kent has been appointed president and general manager, **Standard Railway Equipment Division, Stanray Corp.,** succeeding **W. E. Olds,** retired. **Arthur A. Frank, Jr.,** has been named vice president of the division.

Harris Shane, assistant vice president, industrial relations, **Pullman-Standard,** has been appointed director of industrial relations, replacing the late **Robert C. Smith** (RA, Aug. 27, p. 59).

General Steel Industries, Inc., Granite City, Ill., has assumed control of **Ludlow-Saylor Wire Cloth Co.**, St. Louis, Mo., and will operate it as a wholly-owned subsidiary, **C. P. Whitehead,** GSI president, announced. Ludlow-Saylor shareholders received 2½ shares of GSI common stock for each share of Ludlow-Saylor. There were 24,000 shares of Ludlow-Saylor outstanding. **Duncan C. Dobson** will remain as president of Ludlow-Saylor, manufacturer of industrial wire cloth and screens with plants in St. Louis and Los Angeles. Mr. Whitehead becomes chairman of the Ludlow-Saylor board.

OBITUARY

E. C. Derr, 54, traffic manager, **Milwaukee,** Seattle, Wash., died there Sept. 25.

Edwin R. Price, 73, retired manager of coal properties for **Inland Steel Co.,** Wheelwright, Ky., died Sept. 27 at his home in Frederick, Md.

Market Outlook

Carloadings Rise 0.8% Above Previous Week's

Loadings of revenue freight in the week ended Sept. 29 totaled 596,862 cars, the Association of American Railroads announced on Oct. 4. This was an increase of 4,708 cars, or 0.8%, compared with the previous week; a decrease of 40,432 cars, or 6.3%, compared with the corresponding week last year; and a decrease of 35,365 cars, or 5.6%, compared with the equivalent 1960 week.

REVENUE FREIGHT CARLOADINGS
For the week ended Saturday, September 29

District	1962	1961	1960
Eastern	86,173	92,100	91,584
Allegheny	96,258	107,354	105,505
Pocahontas	52,262	57,545	51,426
Southern	118,081	116,919	112,943
Northwestern	79,213	95,790	96,778
Central Western	123,882	126,085	129,248
Southwestern	40,993	41,501	44,743
Total Western Districts	244,088	263,376	270,769
Total All Roads	596,862	637,294	632,227
Commodities:			
Grain and grain products	52,186	54,853	61,729
Livestock	6,831	7,398	8,109
Coal	110,836	112,739	108,716
Coke	6,251	7,920	5,513
Forest Products	39,068	40,682	38,959
Ore	41,561	53,350	48,438
Merchandise l.c.l.	23,100	29,084	36,997
Miscellaneous	317,029	331,268	323,766
September 29	596,862	637,294	632,227
September 22	592,154	605,842	617,673
September 15	586,626	596,029	598,741
September 8	495,286	514,220	480,065
September 1	581,420	597,730	577,206
Cumulative total, 39 weeks	21,567,906	21,084,404	23,279,994

PIGGYBACK CARLOADINGS.—U. S. piggyback loadings for the week ended Sept. 22 totaled 15,493 cars, compared with 12,715 for the corresponding 1961 week. Loadings for 1962 up to Sept. 22 totaled 507,028 cars, compared with 419,558 for the corresponding period of 1961.

IN CANADA.—Carloadings for the seven-day period ended Sept. 14 totaled 76,220 cars, compared with 66,042 for the previous seven-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada		
Sept. 14, 1962	76,220	21,855
Sept. 14, 1961	77,535	21,649
Cumulative Totals		
Sept. 14, 1962	2,505,191	844,338
Sept. 14, 1961	2,426,942	859,788

New Equipment

FREIGHT-TRAIN CARS

► *New Haven.*—Is seeking U.S. Court permission to purchase 50 G-85 85-ft flatcars to add to its piggyback fleet. The new equipment, costing $740,000, would be financed by the sale of outdated rolling stock and other old equipment. The order would be placed with General American. Hearings on the petition are set for Oct. 10.

LOCOMOTIVES

► *Delaware & Hudson.*—Is buying 12 1,800-hp diesel-electric locomotives from Alco at a cost of approximately $2,000,000.

FOREIGN

► *Nigeria.*—Proposes to acquire the following meter-gage rolling stock during the next five years: Freight cars—96 ballast cars, 1962-63; 150 box cars, 1963-64; 101 box cars, 90 gondola cars, 1964-65; 59 gondola cars, 1965-66; 24 stock cars, 1966-67. Further information is available at Room 4212, Transportation Equipment Division, BDSA, U.S. Department of Commerce, Washington, D.C.

► *Pakistan.*—Placed orders for 64 diesel-electric locomotives with two U. S. manufacturers. Alco will supply 44 broad-gage locomotives (22 of 1,330 hp and 22 of 2,000 hp) for the Pakistan Western Railway. General Motors will supply 20 meter-gage, 1,000-hp locomotives for the Pakistan Eastern Railway. The purchase is financed by an $11.9-million loan from the Export-Import Bank of Washington.

New Facilities

► *Chesapeake & Ohio.*—Ordered two 16-cylinder, electro-pneumatic car retarders and 16 style DA-10 switch machines from Union Switch & Signal for installation at C&O coal pier No. 14 at Newport News, Va. This equipment will be remotely operated from a centrally located tower to control the movement of empty cars as they roll from a rotary dumper to empty car storage tracks.

► *Louisville & Nashville.*—Will install hotbox detectors at Lebanon Jct., Ky., and at Gallatin, Tenn., on its Louisville-Nashville mainline. A third detector will be installed on a coal-hauling branch line at Varilla, Ky. When in service next year, these three units will bring the L&N's total to 29 detectors.

► *Tennessee Central.*—Current projects include relocation of 4,800 ft of main line on the Eastern Division, 73 miles east of Nashville, Tenn. The $150,000 project, necessitated by construction of the Interstate Highway System is being financed by the Bureau of Public Roads.

► *Western Maryland.*—Will install a Railweight system for weighing cars individually while coupled and in motion in its Port Covington Yard, Baltimore, Md., at a cost of $120,000.

FOREIGN

► *Turkey.*—Awarded contracts totaling $2,647,736 to two U.S. firms — Bethlehem Steel and Titan Industrial Corp. — for supply of superstructural materials and fixed installations for the Mus-Tatvan railroad project on Turkey's eastern frontier.

Job-Security Pattern May Be Cast

► **The Story at a Glance: Final settlement of the job-freeze dispute between the Order of Railroad Telegraphers and the Chicago & North Western will come this week when an arbitration board makes its report on issues left unresolved when the Sept. 28 agreements on other issues ended the 30-day strike. The settlement may well become a pattern for ORT cases on several other railroads and like job-security cases of other "non-op" unions.**

Four unresolved issues in the job-freeze dispute between the Order of Railroad Telegraphers and the Chicago & North Western were being considered last week by the arbitration board which was required to make its report by Oct. 8. The arbitration agreement called for the report "on or before the tenth day" following its own date, which was Sept. 28.

Meanwhile, another Sept. 28 agreement settling other issues follows recommendations of the emergency board report in the case (RA, June 25, p. 71). It thus provides job-loss relief for North Western telegraphers under a plan generally like the Washington Agreement which protects employees adversely affected by mergers and coordination arrangements. And the back-to-work agreement, also dated Sept. 28, provided that all ORT positions in existence on the North Western Aug. 29, the day before the strike began, would be reestablished as of Sept. 29, and be filled by employees holding such positions on Aug. 29. The extra boards were also restored to the Aug. 29 basis.

Members of the arbitration board are C&NW Chairman Ben W. Heineman, ORT President George E. Leighty, and Sylvester Garrett, Pittsburgh attorney and arbitrator, whom President Kennedy selected as a neutral. The arbitration agreement was entered at the request of the President, who hailed the strike-ending pact with an expression of "my appreciation and that of the public served by the Chicago & North Western to Secretary of Labor Wirtz and to National Meditation Board Member Francis A. O'Neill, Jr., who for many days have worked diligently to bring the parties together in agreement." The four questions submitted to "final and binding" arbitration are these:

1. What shall be established as the "substantial period" of advance notice to be given the ORT general chairman of a C&NW decision to permanently discontinue any ORT position?

2. What provision should be included in the settlement agreement regarding the rights of the parties, and the procedures, if any, to be followed in cases in which, after notice to the general chairman of ORT and conferences between the parties, and despite ORT's disagreement, the C&NW adheres to its decision to permanently discontinue a position? What, if any, application of such provision should be made retroactively to cover cases of permanent discontinuance of positions between Jan. 22, 1958, and the date of the decision of the panel?

3. What provision should be included in the settlement agreement to give effect to that recommendation of the emergency board which called for a 40-hour-week guarantee for extra-board telegraphers—provided management is authorized to determine the appropriate size of the extra board?

4. What, if anything, ORT should do about claims pending before the National Railroad Adjustment Board's Third Division in view of the retroactive phases of the settlement agreement?

In Washington last week, the arbitration board conducted proceedings as authorized in the arbitration agreement. Thus each party was permitted to submit a statement of its position on each question and to present arguments in support of such positions. The proceedings were not to include the development of evidence—"except as the neutral member of the panel may determine."

The panel was authorized to make a determination with respect to any of the four questions, "which is different from the position taken by either party." The agreement also provided that the neutral member would decide any question on which a majority of the board could not agree.

Notice to be given individual employees whose jobs were being abolished was not involved in the first two questions. That notice period was agreed upon as five days, as recommended by the emergency board. As to the notice for ORT general chairmen, however, the emergency board recommended that the notice period be "substantial" and its ideas about subsequent proceedings were also expressed in quite general terms.

"During this period," it said, "the general chairman or his representative should have an opportunity to meet with a representative of the carrier in joint discussions. Such discussions might concern the manner and extent to which employees would be affected, with a view to avoiding grievances and minimizing adverse effects upon employees involved. In addition, the ORT would have an opportunity to state its views with respect to the wisdom and necessity of the job eliminations which the carrier intends to make."

The Jan. 22, 1958, date in the question asking whether these notice pro-

TERMS AGREED UPON for submission to arbitration board were hammered out by, left to right, ORT President G. E. Leighty, Labor Secretary W. W. Wirtz, Mediator F. A. O'Neill and C&NW Chairman Ben Heineman. Mr. Heineman and Mr. Leighty last week joined Pittsburgh Arbitrator Sylvester Garrett to write binding recommendations expected this week. (*UPI Photo.*)

This Week

visions should be applied retroactively is the date to which various provisions of the settlement agreement are applied retroactively.

As to the 40-hour-week guarantee for extra-board telegraphers, the emergency board tied this recommendation to a management right to fix the size of extra boards because it found that the guarantee would be feasible only on that basis. The parties almost agreed on this issue, as revealed by the arbitration agreement which had this provision: "It is agreed that the panel shall be advised in the presentation of this question regarding the provisions relating to all aspects of the 'Forty-hour Workweek Guarantee' which were tentatively agreed to during the negotiations between the parties, and of the proposals and positions of both parties leading up to and regarding these provisions; but these shall not be binding on the panel."

However the arbitration board may decide these questions, the North Western will have avoided a settlement on the job-freeze pattern of ORT's settlement with the Southern Pacific, That's the pattern which ORT wanted as an alternative to its proposed rule which would have stipulated that no North Western telegrapher position in existence Dec. 3, 1957, could be abolished or discontinued except by agreement between the carrier and the union. The North Western management remained firm against yielding to that demand, a position in which they were supported by the emergency board report. That report said:

"A controlled attrition formula of this [SP] type cannot be diffused on a wholesale basis throughout an industry in the same fashion as a wage pattern, a vacation plan, etc. Such a formula may be helpful in some instances but must be carefully geared to the circumstances of the particular case. It should be demonstrably feasible and basically acceptable to both parties immediately involved. In this connection, the record indicates that key elements in the Southern Pacific formula were proposed by the carrier itself."

The ORT-C&NW employee protection pact on the pattern of the Washington agreement provides that telegraphers laid off will receive severance allowances amounting to 60% of their pay for periods up to five years. This maximum would apply to employees with 15 years or more of service. Laid-off telegraphers retained in service on different jobs would be protected against pay cuts, and those transferred would be moved at company expense.

The allowances received by laid-off telegraphers would be reduced by compensation they receive in any employment. This is a modification of the like Washington-agreement provision whereby the allowance is reduced only by compensation received in railroad employment.

First among the other ORT cases awaiting settlement is that involving the union's job-freeze demand on the New York Central. An emergency board has reported on that case with recommendations calling for withdrawal of the demand and a settlement like that which the North Western board recommended. Demands for a job-freeze rule have also been served by ORT on more than 30 other roads.

C&NW Rolling Back to Normal

Coming to life after 30 days of enforced idleness wasn't a simple, overnight operation for the Chicago & North Western. As the pickets withdrew, workmen tackled an accumulation of clean-up and repair jobs cataloged during the month-long shutdown. Signals, crossing protection devices, bridges and switches throughout the 10,500-mile system had to be inspected. Rails had to be cleared of rust before trains could begin to roll.

C&NW's 36,000 daily commuters were the first to shrug off the effects of the crippling strike as they flocked to the double-decked Commuter Streamliners last Monday morning. Welcome Home posters greeted C&NW's normal commuter load on the first day of full-operation. Later headcounts showed increasing numbers of riders. By the end of the first post-strike week North Western's suburban operation was "in pretty fair shape."

Inter-city passenger service resumed at 7 a.m., October 4, with the departure from Chicago of the Commuter "400" bound for Milwaukee. All C&NW through passenger trains were scheduled to resume operation by late Friday, October 5.

No one would venture a guess as to when freight operations would reach pre-strike proportions. Bridge traffic enroute at strike-end was lost. However, a pent-up demand for local service and receipts at C&NW's 220 interchange points indicated early resumption of normal freight operations. The strike ended none too soon for Midwest farmers faced with the spectre of unmarketable crops. The sugar beet crop, most nearly affected, is "not in such distress" that it still can't be handled.

While employees were being recalled as quickly as possible, one fatality of the strike was a stepped-up repair program started last July at Clinton, Ia., car shops. An additional $3.2 million was budgeted at that time to rebuild 2,036 freight cars, nearly doubling the original 1962 repair program.

Putting an accurate price tag on the 30-day strike is impossible, but estimates of the cost to North Western, its employees and affected communities range into the multi-million-dollar class. September is ordinarily one of North Western's best months and, based on 1961 figures, approximately $18.3 million gross revenues were lost last month. Also on a 1961 basis, an estimated $10 million in wages were lost by C&NW workers.

Partially offsetting these dollar losses were strike insurance payments to the railroad estimated at $4.8 million (RA, Sept. 10, p. 10) and unemployment insurance benefits of $2.5 million paid to the striking employees.

Newsprint Cars Take Big Loads

Spruce Falls Power & Paper Co., Canadian affiliate of Kimberly-Clark Corp., will put into service this month the first of 75 specially designed newsprint cars now being built at Pullman-Standard's Michigan City, Ind., plant. Transport Leasing, a Pullman Inc. subsidiary, will lease the cars to Spruce Falls on a full service rental basis.

Initial use of the cars will be under a new tariff arrangement covering a 1,044-mile movement over Canadian National and New York Central from Kapuskasing, Ont., to New York City. The new tariff provides special incentives for heavier loading and to compensate the shipper for the cost of supplying the cars.

W. L. Thornton, Kimberly-Clark's general traffic manager, said the new tariff provides for a rate of 87¢ per hundred pounds on a 140,000-lb carload minimum, a reduction of 23¢ a hundredweight from existing rates based on a 40,000-lb minimum per carload. He emphasized that the new rates will apply only to the Spruce Falls fleet of cars.

Each of the new cars will take the place of two and a half standard, 40-ft cars. Extra large door openings (9 ft wide and 10 ft, 5 in. high) will permit double tier loading of 60-inch newsprint rolls through the doorway. The 50-ft cars also feature Hydroframe-60 cushion underframes, roller bearing trucks and an inside height of 10 ft, 10½ in. for maximum use of load capacity.

Changes Proposed In Grain Handling

Co-ordinated truck-elevator-rail planning has been called for by Canadian National President Donald Gordon for "improving the efficiency and reducing the cost of grain handling." Speaking to the Canadian Club at Winnipeg, Man., he pointed out that growers, elevator owners, railways and truckers need to think hard about a program that will serve Canada's interests and not simply a "program that serves each party's short-range activities."

He noted that Canada's grain-handling system, unchanged since World War I, ignored such factors as the new highway networks that have come into being; that the number of trucks had increased 64% in the last 10 years; that combines had increased in number by 61%, tractors by 23%; and that many existing country elevators were below optimum size for economic operation.

Mr. Gordon said that costs of railway branch line operation had increased, largely because of the decrease in variety and total volume of traffic, and that on many branch lines grain was the only remaining traffic. "Today, on such thin-density lines, where total volume is about 1,000 cars for a 60- to 70-mile line over the course of the year, the railway cost to get the grain to main lines is twice as much as that of a truck," he explained.

He described three ways to improve the situation: first, integrated trucking of grain to main-line elevators would produce savings in overall costs; second, elevator consolidation would produce economies; and, third, further economies could be achieved by the railroads when, handling grain from such consolidation points on their main lines, they could pick up more cars at a time and reduce switching costs.

Mr. Gordon pointed out that his proposals covered areas historically the responsibility of many agencies involved in the collection and marketing of Canada's grain crop. "The formulation of a master plan appears to be the job of no one authority or agency and as is often the situation in human affairs, what is everybody's job becomes nobody's job," said Mr. Gordon.

"The whole situation is a complex one and is typical of the sort of problem that should be tackled with a system analysis . . . the division of responsibility is such that action is required in the form of legislation, financial accommodations, willingness to surrender vested interest and many other practical recognitions."

Mr. Gordon noted that while the democratic process in Canada demanded solution by voluntary agreement among the interests involved in the collection and marketing of Canada's grain crop, that if they failed to do so, " . . . one day our chickens will come home to roost and the eventual reckoning will be more costly and more difficult . . . vested interest is a jealous guardian and, when complicated by conflicting jurisdictions, it tends toward the extreme in the protection of entrenched positions . . . each part of the complex I have described will have to make some concession or compromise to allow formulation of a plan and the implementation of it, so as to provide an up-to-date and efficient system for the ultimate benefit of all Canada."

Newspaper Chided On Apology To Ops

An apology which operating brotherhoods got recently from the New York Times, and which Labor, organ of the railroad unions, called "sweeping," was uncalled for in the opinion of J. Handly Wright, vice president of the AAR. The apology went to "op" leaders from A. H. Bradford, Times vice president, after they had complained about that newspaper's acceptance of advertisements by "American Railroads" while refusing to accept advertisements from the brotherhoods unless their names and addresses were included. The advertisements in issue were part of the industry's campaign against featherbedding.

In a letter to Mr. Bradford, AAR Vice President Wright asserted that the apology, "by implication, if not outright," put the prestige and influence of the Times behind union charges against railroad management. Mr. Wright went on to distinguish between advertising by "American Railroads," when the AAR represents, as it does, 98% of the industry, and advertising by "Railroad Labor," when only the "ops" are involved.

"Can the three railway union presidents who complained to the Times say that they represent 98% of railroad labor?" Mr. Wright asked, and then added:

"I would hope that your good newspaper would express some dismay and objection to the use by the railway unions of such intemperate and irresponsible language as they featured in their recent ads in the Times. The Times was correct in insisting that these union leaders sign the names of their organizations to these advertisements, for the American people should know who is making such divisive and dangerous charges. And the Times was correct in accepting the railroad industry's advertisements signed 'American Railroads,' for it is the American Railroads—and not any one organization—that are standing together in this campaign."

Private-Auto TOFC Offered by ACL

If there's a lessening of highway congestion between Washington and Miami this autumn, Atlantic Coast Line will deserve a share of the credit. ACL last week began offering piggyback service for private autos which permits a Florida-bound traveler to go by train and still have the use of his own automobile at destination.

Coast Line President W. T. Rice called it "just a continuation of our efforts to make train travel better suited to the needs and conveniences of our passengers."

ACL's service isn't quite the package offered by European railways, where the passenger and his automobile travel in the same train. Coast Line has this approach under study, but for the time being, at least, private autos will be moved on rack cars in fast piggyback freight trains between Washington and Miami.

Southbound, cars can be shipped from Washington or Alexandria, Va., on Sunday and Wednesday for delivery Wednesday and Saturday, respectively. Northbound departures are scheduled for Wednesday and Saturday, with delivery on Saturday and Tuesday.

It works this way: A passenger can leave his car at the railroad station in Washington or Alexandria Sunday afternoon and board a Miami-bound train early that evening. He arrives in Miami Monday afternoon—and he can pick up his car (freshly washed) at the station Wednesday morning. Cost of the service: $140, one way.

Coast Line service is not the first to be tried in this country. Southern Pacific put a similar plan into effect in 1960 from Portland, Ore., to Oakland and Los Angeles. Most of SP's auto-piggyback business moved north, from

California to Pacific Northwest points. Equipment was moving south empty, and SP figured it could gain some benefits from handling private autos southbound, especially in winter months when driving was hazardous. C. E. Peterson, vice president—systems passenger traffic—public relations, reported later, however, that patronage just didn't develop. His conclusion: "The continual improvement of highways and construction of new ones, along with the general flexibility of automobile travel have made it difficult to influence the public not to drive its cars." Coast Line's bid for private-auto TOFC business, however, is along a route much more heavily traveled.

'Impartial Umpire' For RRs, Unions?

Future railroad labor disputes, believes BRT President W. Parker Kennedy, will be settled by "an impartial umpire—an individual in whom both sides have the utmost confidence."

Mr. Kennedy, who retires as president of the Trainmen at the end of this year, made this prediction in Minneapolis as he talked with reporters following a testimonial dinner in his honor. Four railroad presidents—Great Northern's J. M. Budd, the Milwaukee Road's W. J. Quinn, Soo Line's L. H. Murray and Chicago Great Western's E. T. Reidy—joined Minnesota Governor Elmer Andersen and other high-ranking state officials in paying tribute to Mr. Kennedy's statesmanship.

The union-management controversies that now plague the industry were, by pre-arrangement, buried for the duration of the testimonial dinner. But Mr. Kennedy later discussed the warmest of these wars—the work-rules dispute.

"This quarreling and wrangling has got to stop," he said. "Sometime, some place, somewhere we've got to sit down and settle this thing. There isn't any question that unions and management can't resolve if they sit around the table."

Mr. Kennedy agreed that present procedures for settling disputes are less than ideal—but arbitration, he said, isn't the answer. Then he expressed the hope, and belief, that both sides will eventually agree to place labor matters in the hands of "an impartial umpire."

At the testimonial dinner, Mr. Kennedy was characterized by one speaker —Joseph H. Hayes, general counsel of the Association of Western Railways—as having earned "the honor and respect not only of his colleagues but those of us who sit on the other side of the table. Parker Kennedy is in every sense a statesman."

Editors Afield

SAN FRANCISCO

San Francisco's Bay Area Rapid Transit project—truncated by elimination, at least for now, of extensions into Marin and San Mateo counties—comes up for voter approval at the November election. Among the men I talked to there appeared to be definite hope and, I would say, guarded optimism, that it would be okayed. Interestingly, rapid transit people themselves feel one of the strongest points in their favor is growing public distaste for the sprawling ugliness of the concrete octopi with which freeway enthusiasts, here as elsewhere, are defacing landscapes and skylines. Chicagoans who have just had a network of such highways proposed for their city (RA, Sept. 17, p. 59) might take note.

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Neither shippers nor railroaders attending the Pacific Coast Shippers Advisory Board meeting gave any evidence of concern over the ICC's general investigation of piggybacking. Privately, one railroad man did concede that it may "temporarily" slow growth of the service, "but when it's over we will be able to forge ahead on a stronger, sounder, more uniform basis." Publicly, however, all discussion pointed to continued expansion of TOFC, particularly in the tank and reefer trailer fields. The latter, it was said, "may double, triple, quadruple in the next few years."

●

MINOT, N. D.

Touring the Great Northern's Gavin Yard freighthouse here, I was impressed again with the fact that not all loss and damage is fairly chargeable to railroads. I saw, for example, a good car, just opened for transloading, and untouched by railroad forces. It had been loaded by a southeastern furniture manufacturer with stopoff consignments of chairs for Oregon and Washington. Some were in odd, chair-shaped cartons, made of corrugated board too thin to take a small book safely through the mails; unsealed, unstrapped and held together only by little staples so irregularly placed they might have been shot in by a 12-gauge. What's more, at least three quarters of the "Up" arrows on the cartons pointed right, left or down. Some bottom and middle layer cartons were crushed, not by horizontal motion, but by sheer weight of those above them. Other chairs, wrapped only in paper and a handful of excelsior, were wedged into odd places in the load—and it's more credit to the railroads than to the shipper that the visible ones appeared still to be in one piece.

●

One of the vastly encouraging things, these days, of getting away from an editorial desk and out into the field is the number of younger men one finds in positions of increasing railroad responsibility. I've seen it in recent months in different parts of the country, in operating, engineering, public relations, traffic and research departments. I'm sure it's equally true in other branches of railroading.

These men have none of the indifferent, "what's in it for me" attitude that seems so common nowadays. They display, instead, the same job interest, the same devotion to duty, that has characterized the better railroad men ever since railroads began.

Underlying, however, their enthusiasm and their optimism about what railroads *can* do is an undercurrent of doubt and uncertainty over what they may be allowed to do.

Giving such doubts some solid substance in the minds of these dedicated young railroaders are such things as:

- Conversion of more and more tax dollars into more and bigger superhighways, increasingly cluttered by more and larger trucks.
- Continued favoritism to free-loading water carriers, exemplified by the expensive Mississippi River locks so plainly visible from the "Builder's" big dome.
- Handling of the C&NW strike. That draws resentful fire even from men whose companies profited from the stalemate, at least to the extent of handling some North Western traffic. "What's the good of emergency boards if we're going to need a second board to say what the first decided?" seems to be a fairly common reaction.
- Inability (so far) to obtain any equitable adjustment of antediluvian work rules.

Gardner C. Hudson

YOU OUGHT TO KNOW

"Complete revision" of ICC regulations covering transportation of radioactive matter will be considered "in the near future" by the Commission. Chairman Murphy said last week that this problem is now being discussed with other interested agencies. He also said the expanding volume of this traffic "appears to preclude a continuance of the present practice of issuing individual permits for each movement."

Consolidated Freightways derives 70% of its revenues from LTL traffic and—considering the feeling of most railroads toward LCL—the motor carrier's president, W.G. White, does not consider that his company is in competition with the railroads. He told the Transportation Research Forum at New York on Oct. 2 that 4,000 trailer-loads or 5% of his company's tonnage is now piggybacked and, to the extent that railroads are willing to make suitable arrangements, there's no reason why this piggyback volume might not rise to 20,000 loads or 25% of his company's tonnage.

The lack of adequate statistics in the transport industry has resulted "in mistaken judgments and wasted precious national resources," Anthony F. Arpaia, international services vice president of REA Express, told the Federal Statistics Users' Conference in Washington last week. "How can we intelligently regulate a vital industry under such circumstances? How can the Federal and State governments, as well as private industry, plan transport facilities which will serve forseeable needs—to say nothing of long-range needs—with such fragmentary information?" he asked. He said a transportation census (as supported by the railroad industry) would be a start toward remedying the situation, but to develop a standard, figures must be kept up to date.

"We are so deeply involved with getting an American to the moon, we might give some thought to getting Americans home in time for dinner," Robert C. Weaver, head of the Housing and Home Finance Agency, told the American Transit Association last week. Urging support for the Administration's transportation bill pending in Congress, he said: "The American people are fed up with fare increases that are not reflected by improvements in service. And I'm sure you are fed up with being continually in the middle . . . I hope that you will join in a last-ditch, all-out effort to persuade the members of Congress to act on this bill before they go home."

A public auction bid of $1.5 million by the Norfolk & Western last week bought the N&W the 73-year-old Atlantic & Danville with its 207 miles of track between Norfolk and Danville, Va. The A&D, in trusteeship since 1960, will be rehabilitated ($1 million for roadbed, tracks and other facilities, $800,000 for operating equipment initially) and added to the 2,747-mile N&W system as a subsidiary to be called the Norfolk, Franklin & Danville Railway Co.

A transportation round table will be held in connection with the 31st annual conference of the Financial Executives Institute, in the Chase-Park Plaza Hotel, St. Louis, Oct. 24-27. The round table will be conducted by William R. Divine, comptroller of the Southern. Electronic data processing and the use of work sampling in cost control will be discussed by R. A. Sauer, vice president and controller, REA Express, and Irving Exter, statistical analyst, REA Express. The conference will be sponsored by the St. Louis chapter of the Institute.

A new tariff rule cleared by the ICC will simplify railroad compliance with the aggregate-of-intermediates provision of the Interstate Commerce Act's Section 4. The provision stipulates that, unless the Commission grants relief, no through rate can exceed the aggregate of intermediate rates over the same route. The new rule, supported by the NIT League, provides for alternate application of aggregate rates where they are lower than through rates over any route authorized by a tariff under which a shipment is made, regardless of whether that route was the route of movement. Heretofore, the alternating arrangement has applied only if a lower aggregate were found on the route of movement.

Texas & Pacific's application for authority to buy three southwestern railroads has been filed with the ICC. The three roads are Kansas City, Oklahoma & Gulf; the Midland Valley; and Oklahoma City-Ada-Atoka, which T&P would acquire from Muskogee Co. (RA, Sept. 24, p. 46).

Railroad officials will join other executives in transportation, industry and government in taking a penetrating look at transportation now and in the future at the Fourth Annual Transportation Forum Oct. 31-Nov. 1 in Tuscaloosa, Ala. The meeting is being sponsored by the University of Alabama and the Transportation Association of America. Railroad representatives will include D. W. Brosnan, president of the Southern; and W. G. Whitsett, vice president of the L & N.

Legislation is expected to be introduced in the Canadian Parliament to end across-the-board railway freight rate increases. The Government said the changes "are intended to remove the need for general horizontal freight rate increases which have borne so heavily on certain areas and groups of producers." Prompted by recommendations of the MacPherson Commission, the legislation is expected to free Canada's railways to better compete against other forms of transportation.

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Cartel or Competition?

All the complexities of the problem of national policy toward transportation have suddenly been boiled down to one key issue that is readily understandable. Here it is:

Will Congress and the American people support President Kennedy in solving transportation problems by reducing and simplifying regulation — or will they insist on piling more regulation on the chaotic tangle that already exists?

The truck operators and the water carriers are utterly opposed to the President's program. They have made emphatically clear their uncompromising and belligerent resistance to the principal recommendation of his message to Congress on transportation — i.e., that minimum rate regulation be removed from bulk and agricultural commodities.

The Interstate Commerce Commission, under the law as it now stands, has been aptly likened to the "central body of a cartel, being responsible for the determination of prices and allocation of output among the members."* As a cartel, the ICC has not been able to function effectively, for the simple reason that while its rate-making authority embraces 100% of railroad transportation, two-thirds of truck transportation and 90% of waterway transportation is exempt from its jurisdiction.

The result of this inequitable application of regulatory restraints on railroads has been that effective competition by railroads against their waterway and highway rivals is gravely handicapped. Meantime, no parallel protection has been extended to railroads from competition by barge and highway carriers.

The effect of this obvious inequity on railroad traffic and earnings has been disastrous. Truck traffic (according to recent compilation by the Transportation Association of America) increased 194% from 1947 (the first full year after World War II) to 1961. Ton-miles on the rivers and canals rose 254%. (Ton-miles by coastwise and intercoastal vessels increased almost 45% from 1947 to 1959, the latest year for which totals are available.) Meantime, railroad freight traffic *declined* more than 12% from 1947 to 1961.

Obviously, railroads cannot hope to exist much longer as private enterprise if this loss of traffic to their competitors continues — or if the causes of this loss are not removed. The principal cause is the inequity of 100% regulation of railroads, while only a fraction of their competition is similarly restrained.

After months of study, President Kennedy and his advisers came to the conclusion that the rational solution to this situation — the solution plainly called for by the nation's traditional reliance on free markets, on competition — would be to deregulate railroads, in part, rather than to try to subject the unregulated part of truck and waterway traffic to the restraints with which railroads (and a fraction of truck and water carriers) are now afflicted.

But the truck and water carriers will have none of this "free market" nonsense, as advocated by President Kennedy and supported by the railroads. They are thriving at the railroads' expense under the regulatory favoritism exercised by the ICC. So why change? They want to keep the law as it is — with considerable strengthening of its anti-railroad features, (e.g., a requirement for artificially inflated estimates of railroad costs as a rate "floor").

They will concede some extension of rate regulation over part of the truck and water transportation not now regulated. This concession is wholly disingenuous — because no regulation can encompass "do-it-yourself" transportation in the customer's own trucks and barges. And, until railroads have the opportunity to compete under equitable terms with this "private" transportation, the disastrous erosion of their traffic to rivers and highways will inevitably continue.

Does Business Want 'Intervention'?

Thus the big issue in national policy toward transportation has been simplified and clarified. It can be said, at least, for the truck and barge operators that they have not been lacking in candor. They have made crystal clear their position. They are frank and admitted partisans of "more government in business" — in their behalf, of course.

Opposing them is the President of the United States — a liberal Democrat — who, in transportation, is an unequivocal champion of free markets and an advocate of less government in business. The United States has never had a President who has expressed himself with as much clarity and force on questions of transportation economics as Mr. Kennedy has.

Where does the leadership of American business stand on this question? Unless it sides with the President, it will stultify itself forever in its perennial campaign to minimize governmental intervention.

We believe railroad leaders should approach leaders of other business and lay this clear issue before them. With all-out business support, the President's transportation program can hardly fail to be enacted. Unless railroads can enlist this support, what hope can there be of continuing the railroad industry in private operation?

*See article by George W. Hilton in June 1962 issue of I.C.C. Practitioners Journal.

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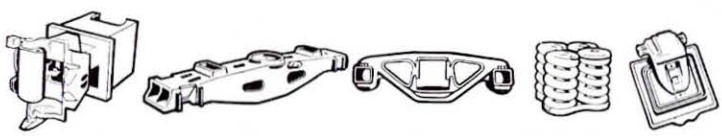

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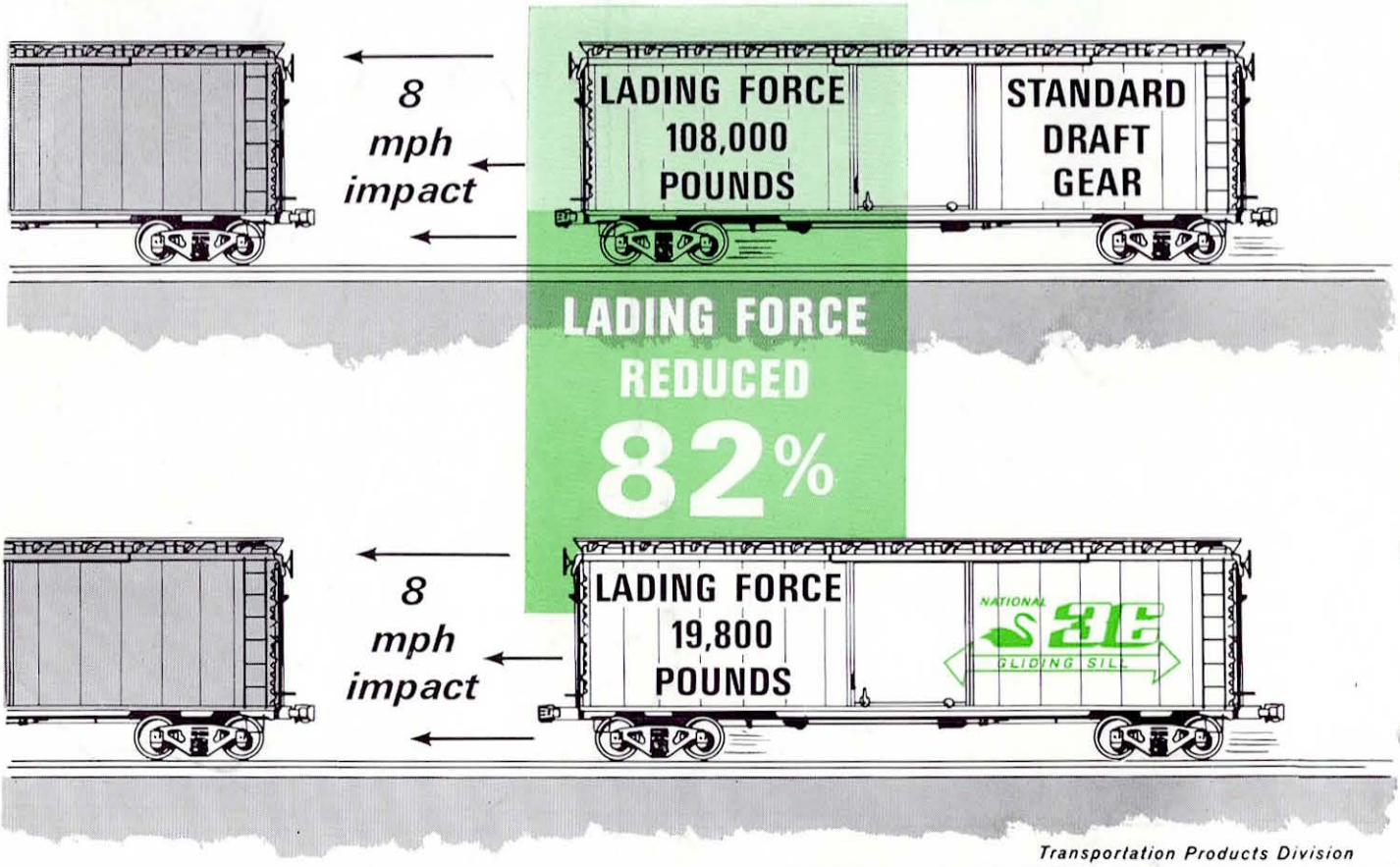

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